Daily Report

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Cuba

Havana radio reports that three Miami-based drug smugglers of Cuban origin were captured and one killed when they were suprised while trying to pick up a 200 kg cocaine cargo near Cuba. According to the Havana radio report, "the U.S. Interests Section in Cuba was notified of the events."

Guatemala

PRENSA LIBRE reports "The Guatemalan Army will not request a resumption of military assistance from U.S. Secretary of Defense Dick Cheney." Secretary Cheney arrived in Guatemala on 16 February and met with Defense Minister General Jose Garcia Samayoa. During an interview with PRENSA LIBRE General Garcia stated, "Mr. Cheney's visit is of great importance because it will allow the ties of friendship between Guatemala and the United States to be strengthened."

Peru

AFP reports that the Shining Path has imposed a 10-day "armed strike" in Ayacucho Department that has resulted in the death of seven Peasant Defense Patrol members. National Police told AFP that military troops are searching for the Shining Path column responsible for the 17 February attack on the community of Tutumbaro, where the patrol members were killed.

In a speech to the UN Human Rights Commission, Foreign Minister Augusto Blacker Miller has asked the international community to condemn the Shining Path and "to change their passive attitude toward that subversive organization's terrorist actions," Lima TV reports. Without mentioning specific countries, Blacker told the Commission that it is not "coherent, ethical, or politically justifiable" that some nations harbor the terrorists. He reiterated that Peru will not negotiate with the Shining Path "but will continue its efforts to wipe out the organization by 1995."

Nicaragua

Managua radio reports renewed violence on the Atlantic Coast, where "police have again clashed with Miskito forces." Followers of Brooklyn Rivera have reportedly "occupied City Hall, the airport, the Institute of National Resources, and the Nicaraguan Social Security and Welfare Institute in Puerto Cabeza." The Government Ministry issued a communique stating that ministry officials, "in coordination with EPS authorities, are currently in the region to persuade these groups to change their attitude."

Haiti

Port-au-Prince television reports that General Raoul Cedras denied a report "that the Army favors elections to solve the country's crisis," calling the statements made by Senator Rony Mondestin "dangerous."

Multilateral Cooperation Proposed at UNCTAD

PA1802205592 San Pedro Sula EL TIEMPO in Spanish 18 Feb 92 p 3

[Text] On 17 February, Foreign Minister Mario Carias Zapata proposed—within the framework of the Eighth UN Conference on Trade and Development (UNCTAD) in Colombia—the adoption of measures and mechanisms to foster multilateral trade.

At the Eighth UNCTAD held in Cartagena de Indias, Colombia, the Honduran foreign minister noted that this forum allows discussion of important issues and makes decisions for the future of the nations. Among these issues are: sustained economic growth, free trade, and increase of financial resources and technology for developing nations.

Carias noted that in the wake of world detente, mechanisms must be identified to implement the multilateral cooperation programs that will benefit the North and the South equally.

Carias stressed that Honduras, together with the nations of the region, had been witnesses and key players in the ending of the armed conflict in Nicaragua and El Salvador. As a result, Carias noted, peace and democratic institutions have been reestablished, and "our nations have been able to assume, with greater optimism, the challenge of development in its overall dimension."

The foreign minister indicated that the implementation of programs reordering the economy's structure and social compensatory programs, in addition to an accelerated economic integration, will facilitate the formation of a regional block in the modern world's trade trends. As a result, he noted, "our government believes we are embarking on a new phase of economic growth and social solidarity."

Regarding the substance and future of international cooperation for development, Carias indicated that it is through institutions such as UNCTAD that guidelines for global interdependence can be identified and restructured. These guidelines are aimed at achieving a healthy world economy, with free competition and oriented toward true growth of the international community's diverse members.

The Honduran diplomat appealed for UNCTAD to strengthen its role as a forum for consideration and objective analysis of the related problems. This, he noted is UNCTAD's original mandate, regarding trade, financial, and technology transfer issues, as well as the complementary actions between government programs and private sector activities.

"During this conference, the UNCTAD should reinforce the measures and mechanisms that would allow more flexibility in its institutional structure, bringing it more in line with international society's contemporary reality," Carias indicated.

Carias noted that the system used to summon the commissions periodically was too slow and repetitive, which resulted in stagnant formulas incompatible with economic growth requirements and the new orientation of North-South cooperation.

Honduras proposed to summon an intergovernment group composed of high-ranking government officials to assess the formulas and proposals resulting from the Eighth UNCTAD to promote multilateral cooperation for trade and development.

Carias also proposed to summon an interinstitutional group of experts from UN organizations—authorities on the issues under the UNCTAD mandate—to oversee the fulfillment of the Conference's resolutions.

To conclude, Foreign Minister Carias Zapata proposed a ministers meeting of the UN Trade and Development Board at a date later than two years from now so that, after receiving the report of the intergovernmental group, it can obtain firm commitments for actions among the industrialized nations and the developing countries.

Cuba

Miami-Based Drug Smuggler Dead, Three Captured

FL1902134692 Havana Radio Progreso Network in Spanish 1200 GMT 19 Feb 92

[Text] A group of smugglers of Cuban origin based in Miami have been surprised when they tried to pick up a cargo of 200 kg of cocaine. The operation occurred in Cayo Cayman in Mata de Coco, north of Ciego de Avila Province. David Queros Martinez, Lazaro Viton Rodriguez, and Allen Pico Treto were captured and Samuel Marcelo Gonzalez was killed in the operation.

A speed boat, several light arms, and navigational and diving equipment were taken along with the smugglers. Another boat which accompanied them escaped northward.

The U.S. Interests Section in Cuba was notified of the events.

Western Naval Base Conducts Readiness Exercise

FL1902012892 Havana Cuba Vision Network in Spanish 2320 GMT 18 Feb 92

[Text] A tactical exercise has been conducted at the Western Naval Base with an extensive deployment of personnel, vehicles, and weaponry. This marked the start of the defense preparation year in the Revolutionary Navy. A combat alarm woke the sailors, who passed through different stages of readiness until they reached complete combat readiness. The units repulsed an imaginary enemy air attack using marines, (BT-76) tanks, antiaircraft artillery fire, and rifle fire. Minesweeping ships rehearsed sweeping up the (?bullets) and missile and torpedo launches navigated from various points to conclude with an attack against naval targets. The naval maneuvers, which included deployment and operation of powerful equipment to repulse air and naval attacks, concluded with missile attacks.

Lower Crime Rate Attributed to Vigilance Units

FL1802225192 Havana Radio Reloj Network in Spanish 2030 GMT 18 Feb 92

[Text] All agricultural cooperatives in Matanzas have well-organized vigilance detachments, according to information received from the National Association of Small Farmers' [ANAP] Directorate in Matanzas. So far, there are 79 detachments of this kind with more than 3,800 members in credit and service cooperatives and agricultural production cooperatives. There are also 32 vigilance brigades with more than 1,000 members.

Angel Gonzalez, member of the ANAP in Matanzas Province, said that in 1990, 455 criminal acts were reported in the rural areas of Matanzas, but in 1991, that number had decreased. The peasant leader added that the most outstanding cooperatives in the elimination of these activities were the Arturo Suarez Cooperative of Jovellanos, which was free of crime during the past year, and La Cinco Cooperative in the Pedro Betancourt Municipality, where a very low number of crimes were committed.

Raul Castro Tours Sancti Spiritus Province

FL1902015192 Havana Cuba Vision Network in Spanish 2320 GMT 18 Feb 92

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces [FAR], has recently toured projects of social and economic interest in Sancti Spiritus Province. Accompanied by PCC officials and FAR officers and chiefs, Raul visited the laboratory for medicinal, cosmetic, and nutritional products in Sancti Spiritus Province. During his tour of the surrounding area, he observed the province's work in the self-sufficiency gardens of schools and work centers, the functioning of People's Councils, and the Unified Vigilance and Protection System.

Likewise, the Army general learned about the work that inspires the residents during this special period and the prospects for agricultural development and the Turquino Plan in the province in solving urgent problems.

Agricultural Products Price Increases Announced

FL1402195292 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Feb 92

[Text] Prices of agricultural products have traditionally been kept low in Cuba, even though the state has had to subsidize the producers because of the high costs of the imported materials used in agriculture. To reduce the high annual amounts allocated in the state budget for subsidies for the country's agriculture, the prices of agricultural products are being raised so they will correspond to production costs. An organizational payment system which ties workers' wages to the final production results is first being applied at every farm and vegetable crop enterprise, and every livestock unit, whether for cattle or other types of livestock.

As of now, the price increases will be applied to 25 agricultural products. Potatoes will be sold at 30 centavos per pound, malanga at 60 centavos, processed and separated plantains will cost 40 centavos, while bananas will remain at 45 centavos. Onions will be sold at 60, 70, and 80 centavos per pound depending on quality. Peppers will cost 50 centavos per pound. High-cost [word indistinct] tomatoes will be sold at 55 centavos per pound, and high-quality tomatoes not grown on stakes will cost 45 centavos per pound. Other vegetables such as carrots, beets, cabbage, and leaf lettuce will cost 40, 30, 15, and 25 centavos per pound, respectively.

In contrast to what happens in other countries, the prices of our agricultural products are not subject to continual speculation, a practice which oppresses the people in places where the so-called market economy exists or has been established. Retired people have been considered in this

price increase for agricultural products. In its programming, Radio Rebelde will continue to provide information about the price adjustments for agricultural products.

Compliance With Electric Consumption Plan Noted

FL1502030092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Feb 92

[Text] Almost all provinces stayed within the daily electric consumption plan during the first 12 days of this month, except Las Tunas, which exceeded the limits by 3 percent; Matanzas by 4 percent; and Granma and Pinar del Rio by 1 percent.

As it can be seen, the excessive consumption figures are minimal, and in the majority of cases, are due to causes beyond the control of the provinces, which in general have achieved significant reductions and are working to meet the assigned quotas by the end of the month. These reductions are the result of measures taken by almost the entire population, lower temperatures, contributions of the sugar industry in co-generation, reductions by the state sector according to restrictions imposed in December, production cutbacks due to fuel and raw material shortages, and the effort to affect electric power service to the population as little as possible.

Nevertheless, each province, especially in the residential sector, should try to reduce its consumption to avoid large problems when the production cutbacks end.

Further Conservation Urged

PA1502163592 Havana Radio Havana Cuba in Spanish 1330 GMT 15 Feb 92

[Roberto Morejon commentary]

[Text] The severe fuel imports cutbacks in Cuba had to make because of the domestic problems suffered by the former USSR, Cuba's most important supplier, are the main causes of the current troubles in the production of electricity. Cuba, which has no hydroelectric power sources, needs at least 13 million tons of oil per year. Until 1989, this oil was bought from the former USSR at prices in line with the island's status as an underdeveloped country. After that, Cuba's main commercial partner began periodic reductions in oil supplies. If, as forecasts seem to show, the country receives only one-third of the oil supplies we received in 1989, then it is easy to understand the internal adjustments the Cuban Government needs to make.

Just the press of a button allows over 90 percent of the homes in Cuba to use electricity. Residents increased their expenses in order to improve their lifestyles. Providing electrical services to the people, to industry, and to agriculture raises the level of electrification to 94 percent. This is viewed as one of the most outstanding in Latin America, and it is difficult to duplicate in many Third World countries.

Over 13 million tons of fuel are needed to produce electricity alone. The country, however, cannot use its total imports for this purpose. Hence, the government has implemented measures to reduce the consumption of electricity by homes and industry. An extra effort is needed in home consumption. In the last few months, the government imposed major restrictions on itself, and even decided to shut down certain production centers. Residential areas, however, are exceeding their normal energy consumption, particularly in the capital.

In order to prevent sensitive social hardship, the government has increased its pleas for further energy conservation, in accordance with the special times the country is experiencing.

Emulsion Plants Operating in Santiago de Cuba

FL1902013992 Havana Cuba Vision Network in Spanish 2320 GMT 18 Feb 92

[Text] The Ministry of Agriculture enterprises in Santiago de Cuba have 30 fuel emulsion plants in operation. The use of fuel emulsified with water makes it possible to obtain greater utilization of oil, gasoline, and other fuels allocated to the province for food program activities. For example, the use of emulsifiers in the transportation equipment used for preparing soil during the winter planting season has made it possible to surpass the plan by more than 1000 caballerias.

* Carlos Lage Interviewed on Country's Situation

92CA0079A Havana JUVENTUD REBELDE in Spanish 26 Jan 92 pp 6, 7

[Interview with Carlos Lage, member of the Communist Party of Cuba Politburo, by Arleen Rodriguez Derivet; date and place not given; first five paragraphs are JUVENTUD REBELDE introduction]

[Text] All of the windows in his office are open to the light and air of January. The corridor to it no longer has artificial lighting. Every morning he leaves his bicycle next to those of the Palace Garrison combatants, who have improvised a parking area on the ground floor. "We have a moral obligation to share all of the sacrifices that we are asking of the people. But bicycling here is not a sacrifice to me. It is physical exercise that I need, and I enjoy it. And I can make it from my house to here in less than 15 minutes."

Having heard this frank admission, you realize that Carlos Lage is the same person you knew as the leader of the FEU [Federation of University Students] or the UJC [Union of Young Communists]. The man who never felt comfortable in a guayabera or a bargain-priced suit. The man who stands out for his intelligence, even though he himself may not realize to what extent. The pediatrician by training and politician by trade who has never really bothered to give an exact name to what he does as head of the Secretariat of the Executive Committee of the Council of Ministers or at Fidel's side at all times. The

man who at age 40 is so directly involved in guiding the country's destiny, proving that his generation is in power too, that it has not been overshadowed by the grandeur of its predecessors and the boldness of the young.

The fact that he can still have an astonished look on his face and avoids formality or protocol in dealing with people tells you that he resembles the finest figures of Cuba's revolutionary history. Sensitive and austere like them, he endures with dignity the outward signs of the scarcities that we are suffering and has the ability to carry you into the future when he talks. And you may also see him trying to take off his worn out moccasins when a press interview becomes interminable and keeps him away from Enma, Carlitos, Cesar, and Cristinita.

I can tell as he speaks on the telephone and glances at the clock, and it makes me feel bad. I feel bad about taking two hours of family time away from someone who did not take a vacation in 1991 and is sure that he will not have one this year either. However, he knows as well as I do that in hard times the people need their leaders to talk to them.

In speaking he neither rushes, nor refers to papers, nor stammers. He is going to talk to me about the country, about this crucial year, about our hopes, about the ways out of the Special Period.... And I am going to listen to his every word and find out in two hours of questions and answers that fortunately in a world of chaos, anarchy, and misgovernment my country is still pursuing its dream.

[Rodriguez] What sort of situation are we in in the wake of the most recent events of 1991?

[Lage] In two years the country saw its overseas purchasing ability decline by 50 percent when the socialist camp disappeared and the preferential prices that we received on the market for our sugar, mainly from the USSR, ended. Cuba is the only major producer of sugar that is forced to sell its entire output at world-market prices. To this add the fact that most of the industry that we have developed over these 30 years of Revolution is socialist in origin, from the USSR in particular, and that we conducted 85 percent of our trade with those countries. This means that our suppliers of raw materials, technologies, and spare parts, and the markets for our products were countries that no longer exist or with which we no longer trade or trade much less.

In other words, the country has lost its purchasing power to that extent and, on top of this, is forced to find markets for supplies, markets for its products and to maintain its technology, in some cases by adapting it and in others by producing the parts itself and even by making practically new investments.

You cannot assume that the country can produce the same as before under these conditions. The level of production is affected by circumstances that have changed suddenly, and the economy must be reoriented, adapted, transformed, all of which can be done, but not overnight. It takes time.

Our country used to belong to CEMA [Council for Mutual Economic Assistance] and had a development strategy within this context. This community of states no longer exists, and we now have to join the world market and seek other sources of capital. This demands a reorientation of the country's strategic lines of development. In one way or another this has been done since the rectification began and, to a greater extent, since the troubles in the USSR and the rest of the former socialist countries started to appear.

Right now we have to conduct our trade directly with each republic of the former USSR. We have been preparing for this since early 1991, when we began the first direct contacts. In fact, trade agreements for 1992 were submitted to the republics, to their agencies as of mid-1991. This process has been very slow, owing to their own difficulties in reaching agreements for an entire year or even for shorter periods.

It must be said that in all cases these are world-market conditions. We have been unable to get a preferential price for our sugar from any of the countries that today make up the Commonwealth of Independent States. There are no trade agreements for the entire year with any of them either. We have made headway only on general accords with some republics and on very few actual contracts.

[Rodriguez] So why don't we change markets?

[Lage] We have a long-standing, 30-year relationship with this market and people, a relationship that we do not want to break off; moreover, it would be impossible to replace quickly the broad knowledge that our institutions have of this market.

[Rodriguez] And what about transportation?

[Lage] Before, until 1990, the USSR practically took care of it, with a small role for our fleet. Under the new conditions freight charges become part of our trade, or else we use our own vessels, which are inadequate, or we pay the freight charges with foreign exchange. In 1991 the country spent somewhat over $150 million on freight charges alone, and our costs will be even higher in 1992, because the role of the Soviet fleet, which was small last year, will be nonexistent this year.

[Rodriguez] What is our trade like with Russia in particular?

[Lage] They have said that they are willing to trade with Cuba at world-market prices. Yet by this date we have been unable to sign contracts for an entire year's worth of sugar or oil. Mainly because they say they are not sure how much they are going to produce, how much they are going to set aside for exports, and what other commitments they have. And the fact is that oil production continues to decline there.

[Rodriguez] We have not been able to determine the size of our sugar harvest either....

[Lage] Well, all of this affects the harvest, but we are in a position to promise certain amounts of sugar if we can get oil, because the sugar that we could exchange for food or oil would be a priority for us, no matter what amount we produce.

But the harvest has begun late, amid a great many material difficulties. We will no longer be able to even approach, much less reach, the 7.5 million tons that we could have and should have produced.

[Rodriguez] If we consider the ratio that Fidel has explained, in the sense that at today's world-market prices of sugar and oil, a ton of sugar buys just 1.4 tons of oil, what is the most oil that we can hope to receive in 1992?

[Lage] At present prices (and not considering other possible influences on the sugar market) the country cannot hope to consume more than six million tons of petroleum under any circumstances. An economy that consumed 13 million in 1989, 10 million in 1990, and 8.6 million in 1991 will have to adapt to this level. In other words, we will have to make it through 1992 with six, five, or four million tons of oil, depending on world-market prices and other factors. It is not a good idea to publish strategies for this area, but our people must know for certain that the comrades who are in charge of these tasks are working today with all of the intelligence, devotion, and responsibility that we can expect of them.

[Rodriguez] What does this level mean? Will more industries shut down?

[Lage] More may have to be closed, but the country can live with six million and even less. The conservation measures that have been introduced must be complied with, and whatever other ones are needed. The people must adapt to the level of electricity use that has been proposed to them. And a major organizational effort will have to be made in the economy. It has been under way for years but must continue because this is the most complicated issue: to support the priorities that will enable the country to guarantee food supplies and health care and to avoid interrupting its development, with this minimal amount of fuel and material resources.

The vitality of our economy must be insured under all circumstances.

For example, there may not be fuel in the gasoline-distribution network at a given moment, but tourists must have enough; the hotels have to keep operating. We may not be able to guarantee enough for other activities; it may have to be allocated to meet the needs of investments in the pharmaceutical industry or to produce our traditional exports.

In other words, the priorities in the use of this minimal amount of fuel are, first, to produce food and get it to the people (our number one priority) and to guarantee the development programs that are going to give the country purchasing power, which when properly utilized represents the power to develop.

[Rodriguez] But in the case of the foodstuffs program we are producing to consume. This is not the case with tourism, the sugar harvest, and biotechnology, which translate into exports....

[Lage] Even if it is only for domestic consumption, the food program is the overriding priority, because the basic objective of the Party and the Government during the Special Period is to guarantee food for the people in amounts similar to what they are now, even if we have to switch from one type of food to another. For example, the textured soy protein that is already used in hamburger meat and will even be extended to standardized meat products, and the grain milk [cereal lacteado] used instead of milk enable us to spend less foreign exchange and get the same amount of protein. Bread baked with wheat bran makes use of the entire grain and is healthier; it will be made more available to the people, thus enabling us to have more bread with the same resources.

Even so, the food program does exempt agriculture from the need for a conservation plan. Its consumption of fuel has had to be restricted too, and its use of fertilizers and chemicals kept to a minimum. There is a good reason why oxen are being used; more than 102,000 are in the fields or being readied now, and there will have to be no less than 200,000. Biological methods are being used increasingly to produce fertilizers and pesticides; cane-based animal feed is being introduced, and a solution is being sought to every problem.

[Rodriguez] Is it true that a high-quality oil deposit was found near Ciego de Avila?

[Lage] We have been prospecting for oil for several years now. Thanks to this, the country can produce 800,000 tons of crude oil a year. It is a heavy fuel, with a high sulfur content and with limitations as to its use, but some of our industries are already using it, such as the Mariel thermoelectric plant and the dry-process cement plants.

High-quality, light oil has, in fact, been found in Ciego de Avila, but the potential output is no more than 60,000 to 70,000 tons a year. This is not, of course, a negligible amount. No amount is. It is already being used to yield basic oils but does not even remotely meet our needs.

Prospecting work is also being done in cooperation with a major foreign consortium in northern Matanzas. The exploration is offshore, the first time that this is being done on this scale in Cuba. According to their studies and ours, the area has the sort of favorable geological conditions in which oil has been found in other regions of the planet. As of today, though, we cannot say that we will find any. This is an "at risk exploration" in which the companies do the exploring and cover the costs, and if they eventually find oil, we use it to pay them for the expenses they incurred, and then we share the profits,

depending on the volume and quality of the oil produced, but never less than 52 percent for Cuba.

Other deals to explore in other areas with favorable conditions are under way. But this is a slow process. Exploration takes from three to four years until a deposit is proven to be real, and then a few years later you have to drill a lot of development wells and build the infrastructure needed to extract the crude oil. And although these are clear prospects, not a dream, the fact is that our plans for getting out of the Special Period do not take this oil into account.

[Rodriguez] Mr. Lage, how do you see to it that given the country's current conditions the little that comes in is distributed in such a way that everyone gets something?

[Lage] Any country that suffers the economic impact that Cuba has suffered in so short a time makes do. I think that what the country has been able to do during the Special Period shows how sound a truly socialist agenda is.

Over the past six months we have explained to the people in detail that our problems today are not due to our own mistakes but rather to those of others. So, the question should be: How come we are not worse off?

And the answer is that only a socialist system and a united people can confront so adverse a situation without going hungry, without forsaking people, without closing hospitals or schools, without cruel inequalities.

The traditional way of confronting this situation under capitalism is with the game of supply and demand, which is governed by prices. This is tantamount to unemployment, lowered government spending, the shutdown of hospitals, schools, and work places, higher prices for basic and other goods that most of the population cannot then afford. In Russia, for example, a liter of milk costs between 7 and 11 rubles, even though the official price is 1.70. And a kg of meat officially sells for 90 rubles, while a retired person makes some 350 rubles or less. In Cuba, the fate of all retired persons, to cite one example, is the responsibility of the State, and not a single one will be abandoned to his fate.

In other words, far from suggesting that socialism is to blame for everything, the Special Period shows that only socialism can confront in a truly humane way the difficulties that are being created under these circumstances and the problems that the underdeveloped countries are faced with in the world today.

We try to achieve an equitable distribution of what we have. This demands an effort at centralization. But we are also battling for rationalization, organization, and conservation and are making constant appeals to the patriotism and revolutionary awareness of each worker as the only "mechanism" capable of promoting the initiative and interest of all in lifting the country up from the emergency conditions in which we are living.

You ask me what we have done. First of all, in considering every necessary measure, every difficulty, we must think about the people; this is an essential element of Fidel's teaching. We must not seek technical solutions to problems. It is preferable to endure the Special Period while sharing the shortages among all of us and doing without unessential things, and thus preserve the basic accomplishments of the Revolution, which do shape all our lives.

When a certain economic measure is needed, we must always think in political terms, and this is something that is done collectively. Last year, for example, the Executive Committee held 33 meetings, all of them chaired by Fidel. What it discusses are the problems of the country's development, in the greatest detail and in the most demanding way. Possible ways of meeting the daily needs of the population are discussed. Rank and file leaders are called in, and a philosophy is followed: any difficulty can be overcome.

[Rodriguez] But this policy has also intensified egalitarianism....

[Lage] The egalitarianism that we use to have, which is perhaps somewhat inadvisable, is now excessive in many instances. We have been forced to include everything possible in the rationing booklet, but resolving the problem this way is preferable to unemployment, higher prices, and ignoring the lives of millions of people.

We have now modified certain prices owing to the need to establish a system, particularly for certain farm produce, such as microjet bananas and staked tomatoes [tomate empalado], and we will keep on doing this with other produce. But our purpose is not to raise cash; we want to establish a system, to bring prices in line with production costs. And the most important price-related measures will have to be taken later on, when production is up and we emerge from the Special Period, making sure at all times that the lower-income population does not lack what they need.

This is exactly the opposite of the so-called shock policies being pursued in Europe's "new democracies" and many Latin American countries, which have caused more than a few conflicts by putting consumer items out of reach for a large number of people. These policies are causing grief and sadness in millions of homes throughout the world.

Now then, what society can take care of this situation without resorting to a shock policy?

Ours can, by resorting to a system of distribution and by appealing to the understanding and cooperation of all.

The socialist prescription for getting out of the Special Period is a proper strategy for development: boost production, work hard, live for a while amid severe austerity, and make the adjustments that the country's economy requires under the new conditions, without ever abandoning our socialist system.

[Rodriguez] How?

[Lage] The arrangements that we have made for bringing in foreign capital are one example.

When an investment project with foreign capital starts up here, and today we are discussing hundreds of offers, we are not resorting to capitalist prescriptions. We are applying socialist prescriptions in order to live in a capitalist world.

For example, when we negotiate the Sol Palmeras Hotel (to cite the best known example), we are not surrendering the country, we are not changing the system of wealth distribution, we are not taking away the workers' rights. We are adapting our economy, in these cases, to something that it needs to develop, which is foreign capital, a tourist market, and experience in hotel management.

[Rodriguez] And can we already talk about results?

[Lage] The process has just begun. A good number of capitalist businessmen are now interested in investing in Cuba. And we have addressed the issue organizationally in the following way. First, the enterprises are directly involved in drafting the negotiating proposals. Among the agencies there is a negotiating group that is involved in drafting the strategy for how much investment we can accept and under what conditions. And the State Committee for Economic Cooperation has been put in charge of monitoring this entire process, of the final review of the projects, and of submitting them, with evaluations, to the government for approval. A task force attached to the Executive Committee of the Council of Ministers is being formed, and among other things it will monitor the progress of each project that is approved.

In other words, we have created our own mechanisms for supervising this process and lending it the necessary momentum, and we must be able to respond promptly to all proposals, but after the indispensable review and thorough analysis. Our situation is very difficult, but it will not condition any project. Only what is in the country's interests and what is in keeping with our principled policy will be accepted.

Some 50 partnerships with foreign capital under different arrangements have been approved in the country, the joint venture being one of them, and more than 100 are at an advanced stage of negotiations. All of this is being done with minimal publicity (if it were up to us, there would be none) because there is heavy, persistent Yankee pressure on anyone wanting to invest here. We have evidence that many people who come here with an interest in investing are called up by the U.S. Embassy or by counterrevolutionary groups when they return to their countries and are subjected to crude pressure and blackmail.

In spite of such pressure, deals are being made. Above all because of the prestige of the Revolution, the social calm, and other advantages that many investors recognize in us. You do not have to bribe anyone to do business, something that is a customary practice elsewhere, nor is there the danger of swindles or capital theft or labor conflicts, which are also common in many other places.

Moreover, we have also made favorable conditions available. For example, the partnerships may be totally or partly exempt from profits taxes or tariffs on items that they import directly, under whatever banking and financial arrangements are agreed upon. The foreign partner's profits can be remitted without restrictions, as can the portion of their wages that the non-Cuban workers deem appropriate. There is no income tax under certain conditions for a while. The Cuban side and the foreign partner set up their own accounting and management-control systems, in an effort to maximize the earnings of the partnership and to minimize costs. In certain cases Cuban clients also represent a potential market, in which the partnerships must offer their products under competitive conditions.

All of this is an example of Cuba's ability to adapt because there is a lot of talk overseas that Cuba is not changing. Well, Cuba is not replacing State property with private property, it is not replacing socialism with capitalism, it is not replacing a planned economy with a market economy, it is not replacing justice with injustice. But tourism, which is one of the most important openings that any country can make to the outside world, did not used to be a development priority for Cuba. Today, investments of foreign capital up to 50 percent are accepted. And the percentage can be even higher, if this is appropriate, under the different forms of financial partnership. We are also working on partnerships with foreign capital outside the country, and there could be further openings, but with socialism, never without socialism.

[Rodriguez] And are the advantages only financial, capital-related?

[Lage] They also involve technology and markets.

The first advantage of these investments is that they keep the workers producing. Then, by and large, we obtain a market and some earnings in foreign exchange or goods. This is also a way to bring in technology and experience in organizing production.

[Rodriguez] Light Industry has shut down the most industries in the country today. What investment possibilities are there here?

[Lage] Some small deals have been struck with Suchel and a foreign firm to produce cosmetics for export and in tourism, and this year the Desembarco del Granma textile plant in Santa Clara is supposed to go on line, under a partnership with a capitalist firm. In this case, you produce, say, 10 million square meters of fabric. You export five and with the proceeds pay back the money that you were advanced and pay for the technical assistance, and the four or five million left over you can earmark for domestic consumption, with an eye towards

hospitals, the basic shopping basket, and other high-priority needs. There are examples of other projects that are all set or in the works, but I already told you about the necessary discretion.

[Rodriguez] There was also a very loud campaign overseas about an article in JUVENTUD REBELDE that said that the Comodoro discotheque, which was initially a joint venture, had become totally Cuban owned and was only for Cuban youth. In short, this was cited as an example of what could happen to joint ventures in Cuba.

[Lage] The guarantees for foreign investment in Cuba are absolute. Our government is trustworthy, and the people who are familiar with us know this; they know that as far as this Revolution is concerned honor is worth more than all the money in the world. As for the Comodoro discotheque, it was not a joint venture; it was a business that Cubanacan and a Spanish firm shared and by mutual agreement decided not to continue. The investor was compensated for his initial investment and his profits. The business was not continued, at the request of the Cuban side, so that better use could be made of the facility, with greater involvement for Cuban youth, especially our real youth.

It must be said that this was a business that we should never have organized the way we did. We can discuss any sort of investment in Cuba, but no matter how financially advantageous they may be, we should approve only the ones that are not bad influences [deformaciones] and that respect not only our principles and our development strategy but also our customs and our way of viewing and evaluating things.

[Rodriguez] Mr. Lage, we know that biotechnology and pharmaceuticals are fields that have a great future and offer benefits in every sense. At the same time, though, we know that they are monopolized by very powerful countries, and some think that it will be extremely difficult to penetrate these markets....

[Lage] I know of no market today that has not been cornered in one way or another by the main producers or by transnationals. It takes time and effort to introduce any new product on the market. And when the decision was made to prioritize these industries, these barriers were not unknown. But difficulties in the marketplace must not become obstacles to undertaking a course of development, because this is one of the many barriers that all underdeveloped countries are encountering today in their bid to develop.

Why are we confident? Because the most important investment is in people, and the Revolution has already made this investment. Because little spending on physical resources is required, and because investments are recovered so fast in these nonpolluting industries, which consume little fuel. So, we are working in three areas: products exclusive to Cuba, high-technology products that only a few countries have on the market, and a larger group of products in the medical and drug industry in which we are competitive in quality even though they are more common. We have potential markets in China, the republics of the former USSR, and Latin America, without even considering more complex markets that we can penetrate also if we do good work.

The impetus that has been given to education, health care, and science during the years of the Revolution is what enables us today, with objectivity and not without boldness, to make a place for ourselves in this field.

We are not pursuing a policy of bringing in foreign capital for research and production. We are doing this with our own funds and building projects worth more than 200 million pesos in this branch today. But there can be a partnership or a stable relationship with foreign firms in the area of marketing, and this is the direction in which we are working.

In any case, when you realize that cigars, with all of the work that they require, bring some $100 million a year into the country and just one of the products in this branch provided the country with more than $170 million in two years, you get an idea of how profitable it is, of how important it is, above and beyond the domestic consumption of these items, which are very important to our people.

[Rodriguez] This year, 1992 began with the new conservation measures of the Special Period, which assign a strict electric-power allocation to each territory. It was reportedly complied with in the city of Havana only because of the break during the first few days of the year...

[Lage] The allocation for the city is 6.2 MW; it has been adhered to properly, but factories that were shut down now have to be started up. We have to see what can be started up, factory by factory, what can be turned off, and a blackout, which has been unavoidable in most provinces, may also become essential at some point in the capital, because we cannot allocate more electric power than the amounts of fuel we have available.

So far the State has accepted the biggest cutbacks, with conservation and shutdowns; it has accounted for more than 70 percent of the electric-power savings. Given the level that we are now at, we have to make the new cutbacks through lower consumption of electricity among the people. Because in the long run further cutbacks by the State hurt the country's economy, and this harms the people.

The response has been positive, but still greater efforts are needed.

[Rodriguez] Many hidden talents have unquestionably surfaced during this stage, and we are starting to see results. Could this Special Period turn out to be a blessing?

[Lage] Of course no one is happy about the Special Period and its restrictions, but since it is a fact of life, I do think that we ought to make something of it. It has helped us to reduce waste and has made us more conservation-minded. It has made us more aware of resource

monitoring, of greater efficiency in everything. More direct, less bureaucratic management styles have developed, and a spirit of helping out, of cooperation among factories and individuals has spread; solidarity has expanded in our midst. Virtues flourish in hard times.

The country has to make the best of this harsh test. We cannot be wasteful again, not even under the best of circumstances. We cannot forget all that we have learned about conservation and rationalization. Under any circumstances, the driver of a State vehicle who is now learning to give a ride to others going his way must keep on doing this.

We are learning faster during the Special Period that what is not efficient is not socialist. And with this approach we must get out of the Special Period, and we will.

[Rodriguez] Is this possibility near at hand?

[Lage] We are starting the Revolution's most difficult year. We cannot say that we have already dealt with all of the adverse repercussions of the situation that has brought us to this point. We have to find the strength and come up with solutions to every new problem in 1992. We must be prepared to face further cutbacks in order to maintain the diet and health of the people and to continue the priority programs that will enable the country to get out of this situation.

We have the industrial capacity to produce more than eight million metric tons of sugar and 50,000 tons of nickel. We export more than $100 million worth of cigars and more than $100 million worth of seafood, mainly lobster and shrimp. The tourist program already yields hundreds of millions a year and is expanding. We have a developing metalworking industry. We have an industrial structure and an infrastructure that the Revolution has created and that will be overhauled as the country recovers. We can promote science and apply it to our everyday problems, introduce and disseminate our achievements, and get the people involved en masse in solving problems. We have opened up new and promising fields like biotechnology and the pharmaceutical industry, and we are bringing in foreign investment in an organized, controlled manner. We have a proper structure for development. We can rely on the people, on our party, and on Fidel. Those are our prospects. I believe strongly in Cuba's future, and, to the good fortune of our children, there will be Fatherland, Revolution, and Socialism.

High-Ranking Military Delegation Visits DPRK

FL1402195592 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Feb 92

[Text] A high-ranking Cuban military delegation headed by Rear Admiral Pedro Perez Betancourt is now in Pyongyang to participate in the celebrations for the 50th birthday of Kim Chong-il, the supreme commander of the DPRK Armed Forces.

Meets With DPRK Leaders

FL1802010192 Havana Cuba Vision Network in Spanish 2320 GMT 17 Feb 92

[Text] The top leaders of the DPRK, Kim Il-song and Kim Chong-il, have met in Pyongyang with a high-ranking military delegation from Cuba. During the meeting, Kim Chong-il, member of the Korean Workers Party Politburo and Secretariat, received the order of solidarity awarded by the Republic of Cuba.

The Cuban delegation headed by Rear Admiral Pedro Perez, vice minister of the Revolutionary Armed Forces and commander of the Navy, arrived in the DPRK last Friday to participate in the festivities for Kim Chong-il's 50th birthday.

Trade Agreement Signed With PRC 18 Feb

FL1802193292 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Feb 92

[Text] A trade agreement between Cuba and the People's Republic of China has just been signed. Foreign Trade Minister Ricardo Cabrisas and He Chunlin, deputy secretary of the State Council of the People's Republic of China, signed the agreement.

The agreement provides for the exchange of rice, beans, medicine, bicycle spare parts, fans, as well as other items from China while Cuba will export sugar, citrus products, nickel, bio-technical products and other merchandise.

Escalona Meets With Brazilian Delegation

FL1402145792 Havana Radio Rebelde Network in Spanish 1000 GMT 14 Feb 92

[Excerpt] Yesterday, the members of the Brazilian Flight of Solidarity had the opportunity of meeting with Juan Escalona Reguera, president of the National Assembly of the People's Government. The visitors were interested in the different aspects of the constitution and its proposed amendments, the term of office of delegates and deputies, the electoral law, and the participation of the people in the country's priorities, among other subjects. After the meeting, theologian Frei Betto said socialism has been accomplished in Cuba because the people took up arms and dared to confront the Batista dictatorship, fought at the Bay of Pigs, and are willing to defend their achievements even if the cost is the lives of their sons. [passage omitted]

Peruvian Health Institute Signs Agreement

FL1402154592 Havana Radio Progreso Network in Spanish 1200 GMT 14 Feb 92

[Text] According to an agreement signed by the Hugo Pese Health Institute of Peru and the Cuban Medical-Surgery Research Center, CIMEQ, Peruvian patients who need to undergo high-risk surgery will be able to do so in Havana or be treated by Cuban specialists in Lima. Surgeries will be performed at a much lower cost than in

any specialized center in Peru or any other country. The Hugo Pese Institute pledges to promote treatment at the CIMEQ for those Peruvian patients in need of certain specialized treatment and who could not be treated in their country, and charge the cost in accordance with the agreed on price.

Havana Radio Commentary on Relations With Belize

PA1402235692 Havana Radio Havana Cuba in Spanish 1330 GMT 14 Feb 92

[Roberto Morejon commentary]

[Text] Cuba's ties with Latin America have grown since the triumph of the revolution in 1959 , despite obstacles by the United States resulting from their blockade on the island. During the first Ibero-American summit held in Guadalajara, Mexico last August, the leaders of that area of the world made progress on talks on the need for integration. In Cuba's case, the meeting made it possible to have talks with Latin American leaders, which in some instances culminated with the establishment of consular ties, as the case with Colombia and Chile.

Cuban authorities continue their endeavors to expand ties with Latin America, following the break of almost all ties with its traditional Eastern European trade partners. The recent signing in Havana of consular relations between Cuba and Belize falls within that framework.

With the new ties, Belize acquires an important position as a liaison point between Central America and the English-speaking Caribbean community. This is even more so following the end of tensions with Guatemala. Cuba always supported the cause of Belizean independence at international organizations like the United Nations and in the Nonaligned Movement. It also supported Belizean independence when Guatemala stepped up its territorial claims.

Belize now starts a new chapter in foreign relations. Chances for increased cooperation with Cuba, beyond the realm of traditional exchange, are enhanced. Over 24 Cuban doctors are now working in Belize, even in remote regions, as part of an assistance program. Bilateral ties have been forged in the education, culture, and agro-industry sectors. According to a recent Belizean study conducted in Cuba, further cooperation, specifically in sugar production, is possible.

The rapprochement between Cuba and Belize will contribute to bringing these countries closer to Latin America.

Latin American Parliament Group To Meet in Mar

FL1502025692 Havana Cuba Vision Network in Spanish 2320 GMT 14 Feb 92

[Text] The Latin American Parliament's Permanent Commission on Health, Work, and Social Security will meet in Cuba. Despite the anti-Cuban campaign created by the international press, Cuba was elected chair of the Commission on Health, Work, and Social Security of the Latin American Parliament. The commission will hold its meetings in our country from 24 to 27 March. The main topics to be discussed will be health as a basic element for citizens in countries in the process of development and of building democracy in Latin America.

The Latin American Parliament's board of directors met recently in Santo Domingo and approved a resolution on the impossibility of payment of the foreign debt. Overcoming strong pressures, the board refused to categorize Cuba as a violator of human rights.

Inter-Caribbean Affairs

Cuba Seeks Improved Caribbean Trade Ties

FL1802190792 Bridgetown CANA in English 1645 GMT 18 Feb 92

[Text] Castries, St Lucia, Feb 18, CANA—Cuba on Tuesday said it was interested in strengthening diplomatic, economic and other ties with the Caribbean.

"The peoples of Cuba and St. Lucia as members of the Caribbean family share many affinities, which allow us to work jointly for the strengthening of our diplomatic, economic, cultural and sporting links," newly accredited Cuban Ambassador Lazaro Cabezas said here.

Cabezas, presenting his credentials to acting Governor General Stanislaus James, said that the strengthening of relations would also contribute to the deepening of the regional integration process "at a time when the joint action of our peoples becomes even more necessary".

He said that Cuba was committed to developing "bilateral relations in all fields within a climate of mutual trust and benefit that may contribute to the maintenance of peace and understanding in the area".

The Cuban diplomat told reporters afterwards that his country was seeking co-operation in areas including trade, tourism and agriculture.

He said his discussions with Prime Minister John Compton and opposition leader Julian Hunte centred on improving relations between the two Caribbean states.

Cabezas said that Havana, despite its economic problems, was willing to assist in the staging of the Caribbean Festival of Arts (Carifesta).

The Trinidad and Tobago Government has said that because of financial constraints it cannot host the festival as originally conceived but indicated it was interested in staging a scaled-down Carifesta.

"... Cuba is willing to be part of the Carifesta this year in any place," the diplomat reported.

Carifesta is the region's premier arts festival.

Haiti

General Cedras Denies Army Favors Elections

FL1802195392 Port-au-Prince Tele-Haiti in French 1236 GMT 18 Feb 92

[Text] General Raoul Cedras, commander in chief of the Haitian Armed Forces, has denied that the Army favors elections to solve the country's crisis. In a letter released today, Gen. Raoul Cedras termed as dangerous the statements made on this matter by a senator, namely Rony Mondestin [of the National Reconstruction Movement headed by Rene Theodore]. According to those statements, the Army is reportedly in favor of adopting a solution that involves elections.

Gen. Raoul Cedras thinks that it is advisable to think clearly so that a solution can be found and applied to the crisis. This should be a platform that would allow the nation to finally begin to develop by taking into account all the sons of the country—which is dear to all of us—with no distinction in caste, race, or religion.

Parliamentary Leaders To Meet With Aristide

FL1802135092 Bonaire Trans World Radio in English 1130 GMT 18 Feb 92

[Text] The president of Haiti's Senate, Dejean Belizaire, says parliamentary leaders will meet with ousted President Jean-Bertrand Aristide by the end of this week to work out a resolution to the country's political crisis. Mr. Belizaire say parliament is committed to reaching a negotiated settlement.

Since the military overthrew President Aristide last September few nations have recognized the provisional government.

Meanwhile, Haiti will be allowed to remain a member of the Lome Convention. France's foreign affairs minister says to expel Haiti from the convention would foul up the organization's internal regulation. The Lome Convention consists of delegates from the European Community and African, Caribbean, and Pacific countries. They opened a week-long meeting in Santo Domingo yesterday.

Theodore on De Facto Government, Negotiations

FL1802223292 Port-au-Prince Radio Metropole in French 1700 GMT 18 Feb 92

[Text] Within the framework of a solution to the Haitian crisis, Prime Minister-designate Rene Theodore has written to Senator Dejean Belizaire, president of the parliament, to bring to his attention the fact that the 8 October 1991 parliamentary act appointing lawyer Joseph Nerette as provisional president has not been published in the official newspaper LE MONITEUR. As a consequence, Rene Theodore requests further explanations on behalf of the nation. He points out that such a situation requires that the Senate president consider this government as de facto and expedite the negotiation process in order to reestablish constitutional order.

Arrest of Priest Shakes Political Sectors

FL1802203892 Port-au-Prince Radio Tropic FM in French 1600 GMT 18 Feb 92

[Excerpt] According to observers, the arrest of Father Yvon Massacre [staunch follower of Father Jean-Bertrand Aristide], the Fermathe Parish priest has severely shaken political sectors in the capital. Letters of protest and solidarity messages asking for the release of Father Massacre, as well as comments on the circumstances of his arrest, have not stopped flowing into our editorial room. This arrest has been termed illegal by several jurists because it occurred without a warrant. The latest reaction comes from a group of priests from the Port-au-Prince Archdiocese. They say they are dismayed by this arrest. [passage omitted]

Priest Released

FL1802221592 Port-au-Prince Radio Metropole in French 1900 GMT 18 Feb 92

[Text] We have just learned at the end of this bulletin that Father Yvon Massacre has been released. At noon, he appeared at the public prosecutor's department of the Port-au-Prince Civil Court. The Fermathe Parish priest was arrested on 14 February. He spent three days in the National Penitentiary.

Disagreement on Terms To Ratify Prime Minister

FL1802212192 Port-au-Prince Radio Metropole in French 1700 GMT 18 Feb 92

[Text] The National Front for Change and Democracy [FNCD] parliamentary bloc terms as positive the resumption of the negotiations which, according to the bloc, helps to envision a final solution to the Haitian crisis. However, the FNCD bloc thinks that several of the conditions pertaining to the ratification of the prime minister-designate represent numerous serious obstacles to the negotiations.

The FNCD elected representatives at the chamber officially show their disagreement regarding these conditions and invite all the members to close ranks in order to achieve the solution so very much expected by the Haitian people. A solution, however, has not been proposed by the FNCD bloc in a communique made public yesterday in Port-au-Prince.

Judiciary Issues Warrant for Deputy Adelson

FL1802202192 Port-au-Prince Radio Metropole in French 1600 GMT 18 Feb 92

[Text] The justice of the peace for the northern section of Cap-Haitian has issued a warrant for Borgne Deputy

Raphael Michel Adelson. On 6 February, Deputy Adelson was detained for several hours after Cap-Haitien Police stated that they had discovered cocaine in his car during a search. Deputy Adelson denies the accusations filed against him. According to him, these accusations are fabricated.

Costa Rica

Calderon, Ministers Hold Economic Meeting

PA1602005592 San Jose Radio Reloj in Spanish 1739 GMT 14 Feb 92

[Report by William Cespedes]

[Text] The country's fiscal situation and government measures to lower inflation and take the benefits of the economic policy to the majority of the Costa Rican people were discussed this morning during the first part of a closed-door meeting convened by President Rafael Angel Calderon Fournier and attended by two ministers, several deputy ministers, and executive presidents of autonomous institutions. Finance Minister Rodolfo Mendez Mata gave a detailed explanation of each action taken and the needs the government expects to meet in the next few months. Mendez insisted on the need to apply a restrictive expenditure policy in the public sector and that efforts should be made to achieve fiscal goals. He also said it is necessary for the Legislative Assembly to approve priority bills such as the Pension Framework Bill and the bill eliminating tax exemptions. The latter will make it possible for the treasury to collect an additional 7 billion colones.

President Calderon believes the benefits of his government's economic policy will soon be felt directly by the majority of Costa Ricans. Calderon announced a substantial increase in private workers' salaries effective by mid-February that will make their salaries comparable with those of the public sector and compensate for the loss of purchasing power. This is what President Calderon said about the closed-door meeting:

[Begin recording] [Calderon] I have convened the ministers and executive presidents of autonomous institutions to tell them that, thank God, we have corrected (?certain situations) and the country is doing well. We must make this clear. Best efforts are required from government officials, particularly this year, to control the fiscal deficit. Such efforts will ensure that the entire program will work and establish very favorable conditions for the program's development and the well-being of the Costa Rican people. We cannot say we have solved all our problems, although we have considerable international monetary reserves and abundant dollars, as well as greater stability. We must make a great effort, particularly this year, to ensure the tranquillity and protection of all Costa Ricans. That is what I want to reiterate to you. The Finance Ministry will have the right figures so everyone can understand the effort required.

[Reporter] [Words indistinct]

[Calderon] I expect to be able to significantly increase workers' salaries by mid-1992 so their income will be properly balanced. When macroeconomic measures succeed, the success is reflected in everyone's pocket within a few months in the form of increased investment and greater capital revenue in the country. All this will result in more money and better standards of living for everyone. May I repeat, however, that all government sectors must follow the guidelines so we can guarantee a much brighter future.

[Reporter] Will there be price increases as a result of the salary increases?

[Calderon] There are increases everywhere; here, China, Europe, the United States, and everywhere else. It is very important that such price increases occur at a slightly lower rate than that experienced by salaries so the people can enjoy a higher standard of living. We are already moving in that direction. It was necessary to make sacrifices in 1990 and 1991. The people have already made their quota of sacrifice. It is now the turn of the privileged. It is up to the government to keep [words indistinct]. That is the purpose of this meeting. [end recording]

Finance Minister Mendez Mata and Presidency Minister Rolando Lacle gave details. This is the finance minister:

[Begin Mendez recording] It has been the government's intention to reduce the fiscal deficit and the inflation rate, and hence the Costa Rican people's cost of living. The government has so far succeeded in reducing expenditures and establishing mechanisms to increase the government's revenue. President Calderon has clearly presented the efforts required of each of the various ministries and the presidents of the autonomous institutions. The president said clearly that there will be no dismissals and [words indistinct]. I would like to add, however, that without the cooperation of the executive presidents of the autonomous institutions in 1991, it would have been impossible to lower the fiscal deficit to a figure below two percent in relation to the GNP. That is what we wish to reiterate during today's working sessions. [words indistinct] [end recording]

This is the minister of the Presidency:

[Begin Lacle recording] Two and a half hours ago, Finance Minister Mendez gave a lengthy explanation during the government meeting on the country's economic and fiscal situation and the excellent results happily attained this year. It is no mere coincidence that the government's responsible decision to face the country's economic problems and implement a policy to reduce fiscal deficit and public expenditures has resulted in an excellent macroeconomic situation leading to large capital investment and a large return of capital to the country in the recent past. This will result in a higher standard of living for the Costa Rican people.

The effort that Minister Mendez explained during today's government council indicates that the Calderon administration will continue to struggle against the fiscal deficit and to promote a policy of responsible expenditures, which marked last year's stand. We will continue to firmly hold this stand so economic measures that have yielded excellent results can continue. Mr. Mendez explained all that I have mentioned. May I emphasize

the fact that, as a result of this effort, for the first time since the administration of Professor Trejos Fernandez, the colon was revalued in a very significant event within the country's economic situation. That is no mere coincidence, but the result of the Minister Mendez' efforts. [end recording]

Cuban Doctors, Dissidents Seek Asylum

PA1502031892 Panama City ACAN in Spanish 0055 GMT 15 Feb 92

[Text] San Jose, Costa Rica, 14 Feb (ACAN-EFE)—Human rights defenders have announced that six Cubans, including two doctors, fled from Nicaragua, where they had been working for the past 18 months, and requested asylum in Costa Rica. The six Cubans said increased repression of dissidents and a lack of freedom in their country motivated them to seek asylum.

Manolo Rodriguez of the Costa Rican branch of the Committee for Human Rights in Cuba told ACAN-EFE the doctors and a family of four walked 36 hours through the jungle and across rivers to reach Costa Rican territory, near Sarapiqui, on the Caribbean.

The two doctors are Juan Boffill, 41, and Miguel Moro, 49. The other four refugees are a family made up of Faustina Cepero, 52; her children Maria del Carmen, 29, and Walter, 15; and her grandchild Dailey Monduy, eight.

The doctors, who have relatives in Cuba and have been serving in Nicaragua since June 1990, were due to return to Cuba in mid-year after completing two years of service abroad. They decided to seek asylum in Costa Rica to avoid returning to Cuba.

According to the doctors, they do not want to return to their country because dissidents are repressed, there is a lack of freedom, and medicine in Cuba is "a farce," with only high-ranking members of the regime and tourists being protected.

Faustina Cepero, a long-standing opponent of the Cuban regime, arrived in Nicaragua eight months ago with the help of her sister. She intended to go to the United States, but her sister died the same day she left Cuba so she was obliged to remain in Nicaragua illegally for several months.

Boffill and Moro met the Cepero family by chance in a town on the way to Costa Rica. The family joined the doctors and the group arrived at the Costa Rican border on 13 February, according to Rodriguez.

The Cuban leader said all the documents necessary to request asylum have been prepared and will be presented on 17 February.

This group brings the number of Cubans who have requested political asylum in Costa Rica since November to 14. Asylum was previously requested by three members of the Cuban National Dance Company, three fishermen, a doctor, and an athlete.

Guatemala

Minister Garcia on Secretary Cheney's Visit

PA1802042392 Guatemala City PRENSA LIBRE in Spanish 17 Feb 92 p 2

[Text] The Guatemalan Army will not request a resumption of military assistance from U.S. Defense Secretary Richard Cheney, General Jose Domingo Garcia Samayoa, Guatemalan defense minister, stated on 16 February commenting on the U.S. official's visit.

The ranking Guatemalan military officer was interviewed at the Guatemalan Air Force Base before Mr. Cheney arrived. He said that in his meeting with the secretary of defense he will not discuss any topic related to the resumption of military aid to the country, although he will broach different aspects dealing with the current situation of the military as an institution.

Mr. Cheney's visit, Gen. Garcia added, is of great importance because it will allow the ties of friendship between Guatemala and the United States to be strengthened. The defense minister also referred to opinions of foreign organizations, which have requested a reduction in the armed forces of Central American countries.

He said that in Guatemala's case, the Army is relatively small and its equipment is merely defensive. He noted that as long as there are armed groups bent on disrupting citizens' security, one cannot speak of reducing military spending in Guatemala.

On the problem of drug trafficking, Minister Garcia reiterated his objective of cooperating to end the serious plight that has caused the social deterioration of the world.

Peace Talks Discussed

PA1902012392 Guatemala City SIGLO VEINTIUNO in Spanish 18 Feb 92 p 3

[Text] Defense Minister General Jose Garcia Samayoa told U.S. Defense Secretary Richard Cheney that the Guatemalan National Revolutionary Unity's intransigence has prevented the Guatemalan peace negotiations from advancing.

Gen. Garcia said his meeting with Cheney was excellent and historic because it strengthens both countries' Army relations as well as those of their governments and peoples.

Garcia said several topics were discussed and Cheney was informed of the Guatemalan Army's participation in the peace dialogue and in strenghthening the democratic process. The Army backs government efforts in the negotiating process and favors peace to end the country's armed confrontation, Garcia said.

He emphasized the Army's role over the past 30 years, facing the insurrection since 1961, when there was an attempt to push the country toward a Marxist-Leninist regime.

The minister reiterated to Mr. Cheney that the Guatemalan Army is being reduced and that it acts in a defensive capacity. On the topic of the war against drug trafficking, Garcia stressed the Armed Force's resolve. There is a shortage of equipment to combat the sophisticated systems drug traffickers use to transship drugs, Garcia added.

UN Expert, Defense Minister on Human Rights

PA1502025892 Guatemala City Teleonce Television in Spanish 1800 GMT 14 Feb 92

[Text] Christian Tomouschat, an independent UN human rights expert, met on 14 February with Defense Minister General Jose Domingo Garcia Samayoa. It was one of Dr. Tomouschat's most important meetings in Guatemala. Tomouschat also met with President Jorge Serrano Elias, Government Minister Fernando Hurtado Prem, and other government officials.

Dr. Tomouschat and the defense minister made statements to the media following their meeting.

[Begin recording] [Tomouschat] The ministers are determined to fight crime and impunity. We discussed their programs and plans to counter violence, and I believe they are up to the task.

[Gen. Garcia] Referring to Professor Christian Tomouschat's proposals, we value them in their true context, meaning we will strive to make them come to fruition. We are doing things according to the law; we are doing what is correct; and we are doing the appropriate thing for the nation.

Specifically referring to the civilian defense committees, I want to state that they were created because rebel groups attacked the Guatemalan people. Voluntary civil defense committees have been organized in response. They work at the community level, and they also engage in construction activities that help alleviate the people's social and economic problems. They are composed of volunteers. The Republic's Constitution allows this. [end recording]

The defense minister also noted that international organizations discredit Guatemala regarding its human rights situation.

[Begin Gen. Garcia recording] I have no hard evidence on specific groups, but I do know there are groups interested in doing that. It is logical and obvious. I do not know how they stand to benefit by stating things that are unfair and incorrect about Guatemala. I do not know how they can consider themselves patriots if they practically condemn their own homeland.

The national government, all its institutions, and all the people clearly want peace; and we will strive for the achievement of peace. We will seek a reconciliation rather than a confrontation. That is our goal. The most important thing is to end the internal military conflict because certain groups use the situation to cause problems, particularly along the highways. Those actions, naturally, are prominently reported abroad as a form of violence.

We want to urge these groups to meditate and decide whether or not it is worthwhile to continue with this type of attitude when everyone tries to achieve a peaceful life through dialogue and negotiation. I think this should be our goal.

We, as an armed corps, have a specific mission. We cannot operate outside those guidelines. If we can cooperate, we will plan this. We are always willing to coordinate things with the government ministers, and we have helped them in every way we can, particularly when an investigation is involved, but we cannot meddle in other areas. If we do it, we do it in a coordinated way. [end recording]

Serrano Reports on Human Rights Advances

PA1802190392 Guatemala City PRENSA LIBRE in Spanish 16 Feb 92 pp 18, 19

[Report by President Jorge Serrano on the government's progress on human rights; place and date not given]

[Text] The recent publication of a report by the UN ombudsman for human rights on the situation in Guatemala in 1991, another by the U.S. State Department, and the imminent publication of a report by the UN human rights expert, gives me the opportunity to discuss our progress on human rights. Although we obviously do not agree with all the points in these reports, we appreciate their honesty and the fact they note that the human rights situation in Guatemala improved in 1991.

The human rights problem did not begin in my presidential term. Our country, while rich in history and tradition, has rarely been peaceful. Its autocratic background has not led to respect for personal rights. It will take work to correct the situation, but we are making substantial progress and will continue to move forward in the coming years.

There is a tradition in our country whereby a father leaves a legacy to his children to guide them in the future. The first thing I brought to the presidential building in January 1991 was my father's legacy, which I hung in my office and which is, after the Bible, my best source of conviction and moral strength for my actions. In his legacy, my father instructed me: "Should the torch of justice reach your hands some day, try to make it illuminate everyone equally."

One year into my term, I think I have been faithful to his command. Certainly there is much to do before this torch can illuminate all Guatemalans equally. Our progress on human rights so far and our plans for the future can be summarized in seven fundamental points.

I. Peace Process

In his speech at the Guatemalan Congress to present his report on the human rights situation in Guatemala in

1991, the ombudsman for human rights—who is independent from the executive branch—said that 95 percent of the most serious human rights violations in Guatemala occurred in or near areas of armed confrontation between the Armed Forces and guerrillas. Clearly it is impossible to take a more important step for the solution of our human rights problems than ending the internal fighting. My personal commitment to attain peace, which is shared by the government, is firm and irreversible. We have continued to negotiate earnestly in good faith. The number of points to be discussed gets smaller at every meeting.

The government and the guerrillas recently agreed to the establishment of a UN commission to verify the human rights situation and to certify that everyone in Guatemala respects those rights. In that most recent agreement, announced by Monsignor Rodolfo Quezada Toruno, head of the Reconciliation Commission, the government reaffirmed its pledge to defend and protect human rights and to continue its aggressive "nonimpunity" policy to end human rights violations. A full, firm, and lasting peace will not only remove the greatest source of human rights violations but will also create a climate in which the rest of our social and economic programs will succeed.

II. Relations Between Civilians and the Military

As president, and according to the new realities of the Guatemalan democratic system, I have fully assumed the constitutional role of commander in chief of the Army and rely on the Armed Forces' allegiance and obedience. The steps we took in 1991 have ensured that the constitutional mandate whereby the Army is under civilian control is now an important part of our political culture and the legacy we will leave for our children.

III. Investigation and Prosecution

It is essential to reinforce investigative and prosecutorial powers so the judicial system can function effectively both in prosecuting and serving as a deterrent to future violations. To this purpose we have doubled the Public Ministry budget to provide that institution with the professional human resources necessaryy to investigate and aggressively prosecute human rights violators in both civilian and military courts. Improvements in the quality and promptness of the administration of justice should start with investigation and prosecution. The steps we are taking will lead to a system where the administration of justice will be prompt and trustworthy.

IV. Struggle Against Impunity

In my inaugural speech, I called for a change of attitude and "punishment for the guilty, regardless of status, position in the heirarchy, or level of wealth." My government is still applying this principle. It is a pledge that I recently confirmed during the peace process. While other countries have chosen amnesty as a path to reconciliation, we have chosen justice as a means of reconciliation.

Our government has cooperated with the Public Ministry to make substantial progress in prosecuting some of the individuals responsible for such serious human rights violations as:

a. The murder of Juan Perebal and his son in 1989—a trial has been initiated against two former leaders of the Civil Defense Volunteer Committees [Comites Voluntarios de Defensa Civil], Manuel Perebal Ajzalam and Manuel Leon Lares, who were captured in 1991 after eluding the authorities for several months.

b. The massacre in Santiago Atitlan in 1990 culminated in the prosecution and sentencing in 1991 of two members of the Army (one lieutenant and one corporal).

c. The murder of Myrna Mack in 1990—one former sergeant who served under the previous government's presidential general staff is being prosecuted.

d. The murder in 1991 of civilians by members of the San Jose Naval Base led to the capture and prosecution of seven officers and soldiers, including the base commander.

e. The murder case of Michael Devine —the Public Ministry was successful in revoking the release of one officer, who was set free by a military court and is now in prison pending trial.

The Public Ministry has filed another appeal against the military court's decision to release the Poptun base commander.

f. The Nahaman Carmona (a street child) case—the policemen responsible for his murder had been sentenced, but the appeals court annulled the sentence because of errors in the trial. The Public Ministry is still actively pursuing the case to achieve a new condemnatory sentence.

V. Cooperation With International Institutions

One of the cornerstones of our policy has been to open the country to international institutions such as the United Nations for investigations of human rights violation cases. I must acknowledge that human rights is a topic that knows no borders, and I promise to cooperate with those international groups that are legitimately interested in human rights in Guatemala.

VI. Human Rights Attorney General

The political Constitution of the Republic of Guatemala, which was published in 1985, created the office of the attorney general for human rights to investigate and report violations in the country. The report by the attorney general for human rights, which was recently issued in January 1992, notes there has been significant improvement in the area of human rights since I took office. For example, illegal executions have been reduced by 60 percent, and forced disappearances have been reduced by almost 80 percent.

I attest to the devotion of the attorney general for human rights to his work, and I reiterate my government's full cooperation in his efforts.

VII. Reorganization of the National Police

Since I took office in 1991, my government has taken upon itself to make substantial changes within the National Police, which in the past was a source of many human rights violations. For the first time in over four decades, the National Police has a civilian director, and over 1,200 policemen were relieved in 1991. We have restructured the Police Academy and included human rights as a central part of police candidates' education.

I am confident that within a short time, the National Police, as a civilian institution, will become a respected and trustworthy guarantor of human rights.

VIII. My Vision of the Future

These are the initial steps our young government has taken in its first year, and I am proud that it has made significant progress, as the entire world has seen. All sectors of our society—the people and government—are building a new reality in Guatemala. We know that we live in a world in which the use of force and the violation of human rights have no legitimate place; it is a world moved by the force of our people's hopes of being free.

The people have given my government the privilege of leading Guatemala to an era of total peace and to its proper place in the new world order. Respect for the rights of our inhabitants is essential to our full participation in that new order. I thank God for the progress we have made thus far and for the strength to continue making this effort with a view to the future.

Government Ready To Resume Talks With Rebels

PA1502142492 Guatemala City PRENSA LIBRE in Spanish 14 Feb 92 p 6

[Text] Manuel Conde Orellana stated on 13 February that the government is ready to resume talks with the Guatemalan National Revolutionary Unity to reach a total peace agreement no later than June 1992. Conde Orellana is the head of the government delegation to the talks.

The secretary general of the presidency said that having reached specific understandings on human rights, the new round of talks will almost certainly progress without any major obstacles. He stressed that the remaining topics are related to the human rights issue. Once the obstacles have been overcome, the talks will concentrate on aspects of verification and control.

Conde said he did not know any details about the schedule for the new round of talks. He indicated that the talks could possibly take place in Mexico at the end of February.

'Serious Differences' Encountered

PA1602034192 Mexico City NOTIMEX in Spanish 2246 GMT 15 Feb 92

[Excerpt] Guatemala City, 15 Feb (NOTIMEX)—Monsignor Rodolfo Quezada Toruno said on 15 February in Guatemala City that serious differences between the government and the guerrillas have hindered the signing of a peace agreement in Guatemala. That was how the president of the National Reconciliation Commission (CNR) explained the stalemate in the peace talks between President Jorge Serrano Elias' government and the Guatemalan National Revolutionary Unity (URNG) General Command.

The parties in conflict have agreed on a 12-point agenda for the negotiations that will end more than 30 years of armed conflict in the country. To date, only agreements on democratization have been reached. Human rights, the second topic on the agenda, has faced "serious differences" that have not been overcome since October 1991 when the talks began.

Quezada Toruno, bishop of the eastern Zacapa Department, believes "there is still a long way to go" to reach a peace agreement. The process of reconciliation, the bishop said, not only calls for an end to the armed confrontation, but also for the signing of agreements that will pave the way for a functional and participatory democracy. [passage omitted]

Honduras

Foreign Ministry Cites Human Rights Report

PA1402211992 San Pedro Sula LA PRENSA in Spanish 14 Feb 92 p 5

[Text] Tegucigalpa—Honduras has made significant progress in its human rights program to the extent that disappearances are a thing of the past, according to a report issued during the 48th session of the Human Rights Commission in Geneva, Switzerland.

The Honduran Foreign Ministry on 13 February published excerpts of a document presented at that meeting by Ivan Tosevski, president of the Working Group on Forceful and Involuntary Disappearances.

The report states "positive advancements have been made in various countries. In some countries, such as Argentina, Chile, and Honduras, where numerous disappearances were common in the past, this practice has stopped."

The Foreign Ministry believes this improvement reflects the success of the government policy aimed at promoting respect for human rights in Honduras and supporting initiatives to improve the administration of justice in the country.

Armed Forces Review Possible Reforms

PA1902003992 San Pedro Sula TIEMPO in Spanish 18 Feb 92 p 9

[Text] Tegucigalpa—In its last session, the Superior Council of the Armed Forces (Cosuffaa) reportedly approved reforms to the Armed Forces law and the national Constitution. These reforms would eliminate the post of commander in chief.

The report was unofficially announced by a Tegucigalpa radio station. It confirms an earlier report published by TIEMPO on 4 February stating that the high military command was preparing draft reforms to the Constitution and the Armed Forces law.

Through the Defense Ministry, the high military command will present the text of the draft reforms reportedly approved in the last Cosuffaa session in early February, the radio station added.

The National Congress might accept the proposed reforms of the military institution sometime in February or early in March. This would allow time for discussion, approval, and implementation by 1993, the source added.

Sources close to the Armed Forces told TIEMPO the reforms seek to eliminate the post of commander in chief, reduce Cosuffaa, and place the defense minister in charge of the Armed Forces. According to the reforms, the minister would be appointed by the executive branch from a list of officers proposed by a new institution to be called the "Defense Council."

The military proposal has been opposed by some of the 52 Cosuffaa members. They feel this situation dashes the hopes of the officers, in addition to eliminating the power of the military institution.

Other groups have said the military leadership reportedly wants to have Division General Luis Alonso Discua Elvir permanently in charge of the Armed Forces. He cannot be reelected to the post in which he has already completed one-third of the term begun by Antonio Cantarero Lopez.

Discua Elvir himself admitted the new reforms to the Armed Forces are for the sake of keeping up with world changes.

FPM Claims Responsibility for Murders

PA1702195492 Tegucigalpa LA TRIBUNA in Spanish 17 Feb 92 p 7

[Text] On 15 February the guerrilla movement "Morazanist Patriotic Front" (FPM) claimed responsibility for the murder of Fernando Marichal Callejas, the president's cousin, who was found strangled to death that day.

Marichal Callejas, manager of the Metropolitan Meat Processing Company (Promdeca), was last seen in the vicinity of the Sansone sawmill in Tegucigalpa on 13 February.

A man identifying himself as a member of the "FPM" called radio "San Pedro" in San Pedro Sula at 1240 on 13 February, reporting to announcer Manuel Herandez that the guerrilla group was responsible for Marichal Callejas' death.

The same man called the LA TRIBUNA offices in San Pedro Sula and played a recording over the phone that attributed Marichal Callejas' death to the rebel group. No motive was given for the crime.

In the last few months, the "FPM" has been claiming responsibility for the attempt on the life of General Walter Lopez Reyes, former director of the Armed Forces; the attempt on the Honduran Brewery; and the attempt against the lives of two directors of the parallel board of directors of the National Enterprise of Electric Power Workers Union (STENEE).

Nicaragua

Workers Front Demands Aeronica Workers' Release

PA1802235992 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 18 Feb 92

[From the "Extravision" newscast, directed by Manuel Espinoza, former information minister under the Ortega administration; passages within quotation marks are recorded]

[Text] The FNT [National Workers Front] initiated a national campaign on 18 February calling for the release of Aeronica Airlines employees. Commander Daniel Ortega, secretary general of the FSLN [Sandinist National Liberation Front], who demonstrated his solidarity with the Aeronica employees on 17 February, insisted over Radio Ya microphones on 18 February that the government should show flexibility and immediately release more than 50 Aeronica employees. He called on the government to fulfill the agreements signed in the national dialogue.

[Ortega] "We should attempt to find a solution to this problem because it could become much bigger. The effects could adversely affect people beyond Managua. It could become a national problem. We hope a crisis of that type will not magnify problems we already have. We seek immediate solutions for problems adversely affecting the country. I call on the government to show flexibility. We believe rigid positions are not adopted. I hope we can quickly find a solution to the Aeronica conflict."

Meanwhile, the FNT announced the following measures:

[FNT Secretary General Lucio Jimenez] "We are calling for the release of the Aeronica political prisoners. We are also calling for the release of all political prisoners currently in jail or those of us who could be put in jail."

Lucio Jimenez said the campaign is meant to show contempt for the government for closing the company

given the current economic policy, the struggle for a higher wage, and for turning over 25 percent of the company to the workers. He also announced that 100,000 signatures had been collected.

[Jimenez] "We are going to give these 100,000 signatures to the mothers of the political prisoners and their relatives. They will go to the government palace, where we will install the center of freedom [champa de la libertad], where the relatives of the Aeronica workers and the future political prisoners can receive the solidarity of workers and residents."

The labor leader announced that there will be a march on 19 February, leaving the Jose Benito Escobar Sandinist Workers Federation offices for the government palace, police stations, and the Attorney General's Office. He also called for partial strikes.

Roberto Gonzalez [not further identified] announced the release of 23 employees, although 28 are still being held in prison. He denounced police persecution of several labor union leaders.

[Gonzalez] "The government continues to try to behead the labor union leadership. This has been one of the leading federations showing resistance during these past two years because of unyielding government positions, especially in the Construction and Transportation Ministry."

Violence Reported in North Atlantic Region

PA1802225392 Managua Radio Catolica in Spanish 1100 GMT 18 Feb 92

[Text] There are new reports of violence on the Atlantic coast. Police have again clashed with Miskito forces, and several people were killed in the attack. The North Atlantic regional government reports followers of Brooklyn Rivera have occupied city hall, the airport, the Institute of National Resources, and the Nicaraguan Social Security and Welfare Institute in Puerto Cabezas.

Another report says armed men attacked the city of Waspam, killing two policemen and wounding several others. The armed group of nearly 200 men were led by Manuel Cunningham, also known as Tigre 17.

North Atlantic regional government leaders said the clashes in Waspam and Puerto Cabezas were meant to destabilize the government and destroy the region's autonomy. Reports from Waspam and Puerto Cabezas suggest the actions were aimed at drawing the attention of the central government to the poverty existing in the region.

The highway between Puerto Cabezas and Waspam was occupied by followers of Brooklyn Rivera. The regional government has promised to respond to the subversives' demands for food, clothes, and medicine. The war-maimed in the region have not received any support. The regional government issued a communique on events in the region on 17 February.

Communique Issued on Violence

PA1902160292 Managua Radio Nicaragua Network in Spanish 1100 GMT 19 Feb 92

[Communique issued by the Government Ministry in Managua; date not given]

[Text] The Government Ministry reports to Nicaraguan citizens that at 1130 on 17 February an undetermined number of people armed with rifles attacked the National Police post at Waspan, Rio Coco.

As a result of this criminal action, policeman Dalmacio Robinson died; Sublieutenant William Fonseca and soldiers (Jofre Cofin) and Javier Coleman were injured and admitted to the hospital in Puerto Cabezas, in the North Atlantic area.

At 1415, also on 17 February, 20 km from Puerto Cabezas another armed group ambushed Sublieutenant Felix Morales Vilchez of the Sandinist People's Army [EPS], who died later.

Government Ministry officials, in coordination with EPS authorities, are presently in the region to persuade these groups to change their attitude and urge them to use the appropriate channels to voice their demands.

The Government Ministry repudiates and condemns these criminal actions and urges the people not to follow such examples to spare Nicaraguan families from further pain and bloodshed.

Daniel Ortega Views FSLN Centrist Faction

PA1902025792 Managua Radio Ya in Spanish 1100 GMT 18 Feb 92

[Text] Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], recently reflected on the party's internal situation. Ortega assessed the self-styled Center Group and its position. He noted the attitude of individuals who, although they describe themselves as Sandinists, prefer the Yankee boot.

[Begin Ortega recording] They say they are attacking the [FSLN's] National Directorate. I would like to see them attacking those who cause poverty in the country. There are people, alleged Sandinists, who boast they have confronted and protested against the National Directorate. That is not their job. There is no competition to see who can confront the directorate. What we should do is simply close ranks around Sandinism's authorities, the Sandinist congress, assembly, and National Directorate. We should not think of weakening our authorities.

There are comrades who, during the electoral process currently under way in Managua, will resort to demagogic, opportunistic attitudes. They will say: Let us support this person because he will confront the directorate and Daniel Ortega. Their candidate should confront the government, the Yankees, and the people who

oppress the people, not the directorate. There are individuals who want to undermine the FSLN National Directorate's authority. Why? Simply because they have overlooked the fact that the directorate has been characterized throughout this entire historic process in our country by its creativity and initiative. Therefore, they cannot now hand us the cock-and-bull story that the great innovators and promoters of perestroyka are the ones who are speaking on certain Sandinist media. These individuals maintained conservative positions even when we launched the October offensive. The great innovators who were the great conservatives cannot talk now. When the FSLN promoted an alliance policy at an international level, when we promoted the audacious policy of violently toppling Somozism, and when we launched the October offensive, they were the great conservatives. They, who now write like great innovators, like great promoters of perestroyka, were great conservatives.

These dogmatic people are the ones who once condemned the FSLN for advocating positions that made changes possible in this country and led to the toppling of the Somozist dictatorship. Later, during my term in office, I took many initiatives in the international arena. I went to San Isidro Coronado, where President Cristiani and the United Nations agreed to conduct negotiations in El Salvador, and this group was against us. They said we had betrayed the Salvadoran revolution. We had fully pledged our solidarity to the Salvadoran people and the Salvadoran revolution and they knew this. It was a decisive moment for the future of the negotiation process in El Salvador. In San Isidro Coronado we managed to get President Cristiani to agree to allow the United Nations to participate, which constituted a leap toward the FMLN's [Farabundo Marti National Liberation Front] legitimization. That created the appropriate conditions for an agreement like the one recently signed at the end of 1991 at the United Nations and later ratified in Mexico.

The Sandinists, who are now being presented as conservative and orthodox, are the ones who called for freedom of expression, even within Sandinism. The people who are describing us as orthodox are the ones who attempted to silence the media. I remember the experience of the La Voz de Nicaragua radio station. When La Voz de Nicaragua was established, the comrades who are now describing themselves as very liberal and in favor of freedom of expression wanted it to be a traditional station that would report only what the government said and would not criticize the government. What did we do? We chose the position of comrade Pedro Guadamuz, who advocated giving the people access to its microphones so they could speak out and criticize the Sandinist government. This is what we promoted. [end recording]

Daniel Ortega Comments on Status of FSLN

PA1602003592 Managua Radio Ya in Spanish 1100 GMT 14 Feb 92

[Report on interview with Daniel Ortega, secretary general of the Sandinist National Liberation Front, FSLN, by unidentified reporter on 13 February; place not given]

[Text] The Sandinist National Liberation Front [FSLN] is a leftist organization that defends the people's interests. Commander of the Revolution Daniel Ortega Saavedra, secretary general of the FSLN, made that statement regarding an alleged split within his party during a 13 February interview. This is what the top FSLN leader said:

[Begin recording] [Ortega] I believe they can write whatever they want, but we must take into consideration the opinion of the Sandinist rank and file. We cannot speak on behalf of minorities but on behalf of the Sandinist majorities—the rank and file. It is important to realize how the rank and file feels. The rank and file is struggling for jobs, for food, for elemental subsistence. The problems of the Sandinist rank and file, the problems of the majority of the Nicaraguan workers, are jobs, food, health, and education. We are struggling for that. Any other proposals at a time when we face such problems are not feasible. Such proposals cannot get through. In the end, facts are what guide Sandinist behavior. [end recording]

The Army is a patriotic and national institution that is not subordinated to FSLN policies, and the FSLN is not subordinated to the Army either, Daniel Ortega said.

[Begin recording] [Ortega] The Sandinists must have no confusion on the role of the Army and the role of the FSLN. The Army is a patriotic institution of a national nature that is not subordinated to FSLN policies, just as the FSLN is not subordinated to the Army.

The Army is implementing a policy that the Sandinists have been promoting for years: an honorable rapprochement with the United States. That is nothing new. Whenever Commander Henry Ruiz has gone to the United States, he has just given continuity to a policy that we have been implementing since the triumph of the revolution, since the days I went there to meet with Jimmy Carter. I did it in the search for good relations with the United States, so it is not true that it is just now that we are inaugurating a new policy of rapprochement with the United States.

It was the United States that had chosen not to get closer to the Latin American people, to the Sandinist Revolution in our particular case.

It was within this framework that the Army decided to award the Camilo Ortega Order to a U.S. official, and therefore we must respect the Army's decision.

I can understand the reaction that decision produced among the Sandinist rank and file and the polemic that

has resulted, but I do not agree with the adjectives being used or with some ways in which this discussion is taking place because it is destructive and does not help secure greater cohesion, understanding, and unity among the Sandinists. When discussions are not advisable, when epithets are used, when there is name-calling, and when people do not act maturely, then discussions become destructive.

I believe a difficult situation resulted because of the way the polemic was handled.

[Reporter] Commander, the government promised last week that it will use the public force to counter the actions and demands of the working class concerning a 25-percent participation in the privatization process. What is your opinion on that?

[Ortega] I totally oppose the use of the public force to repress the workers, or anyone for that matter. In other words, the government has been patient enough to talk and negotiate instead of using the public force against those who have assassinated peasants and a doctor in the northern zone of the country.

The government must be even more patient and have the serenity to face problems, particularly when a government pledge is involved. The government pledged to give the workers 25-percent participation, so there is no need for the government to reject that participation or, even worse, to adopt measures against the workers—meaning to use force—when they are struggling for a legitimate right accepted by the government.

The government cannot violate agreements it has signed. It cannot use force to violate those agreements. We oppose that. We advise the government to talk with the workers, find a solution to the problem, and respect the agreements it has adopted.

[Reporter] What is your opinion about the disarmament and peace process that is currently being implemented?

[Ortega] I believe there has been progress, but more work is involved to guarantee the safety of all Nicaraguans because a conflict still prevails in certain zones where no disarmament has taken place. The progress achieved exhibits a positive tendency that must be endorsed.

[Reporter] Concerning your meeting with [French Secretary of State for Foreign Affairs Alain] Vivien, what did you discuss? Did you talk about Latin American affairs in general? Did you discuss Nicaragua's case?

[Ortega] I talked about Venezuela's case and its implications and about our concern for Nicaragua. We said it was necessary to resolve economic and social problems, and we emphasized that the country needs international support to do this because Nicaragua's hands are tied by strict economic measures that are provoking a major crisis, more poverty, and great irritation among the people.

We said this might result in a social and political explosion, and that would benefit no one in the country. The situation cannot be resolved by starving the people to death or by increasing the level of unemployment. The crisis must be prevented by bringing the necessary resources to create more jobs and immediately meet the people's demand for food and medicine.

[Reporter] [Words indistinct] aid?

[Ortega] Yes, of course. The French Government is willing to continue its cooperation with Nicaragua.

[Reporter] What about political issues and the FSLN's relationship with the French Socialist Party?

[Ortega] Yes, we talked about that. We have good relations with the French Socialist Party. We discussed our efforts at the Latin American level, within the Sao Paulo forum, and within Socialist International; and we talked about the need to bolster the struggle for President [Jean-Bertrand] Aristide's return to Haiti—and the role that Venezuela, Mexico, Colombia, and France can play in this case. Spain, Venezuela, Mexico, and Colombia have played an important role in Nicaragua's case and in El Salvador's case; and given France's historical ties with Haiti, the Latin American and French group can very well spearhead a strong movement.

The truth is that the Haitian case has failed to generate action because the North Americans are not interested in it. That is the truth. The North Americans are more interested in Nicaragua, El Salvador, and Cuba—not Haiti. Consequently, even if the North Americans do not want it, the Latin Americans are duty bound to give the Haitian case a prominent place, and we must make certain that this does not involve military intervention. [Words indistinct] military intervention for President Aristide's return to Haiti.

[Reporter] Do you plan to request a meeting with the government to analyze the political situation?

[Ortega] Yes, of course, a meeting is going to be held with the government. I am going to meet today or tomorrow with Antonio Lacayo to discuss current problems.

[Reporter] Lacayo said the dialogue is no longer necessary, things are all falling into place, and there has been a strong reaction by the UNO. What do you think of Lacayo's statements that there is no longer a need for a national dialogue?

[Ortega] I think that an urgent meeting is in order, and this time with the workers. I think that that is the dialogue that is truly needed, much more than the joint dialogue between the parties that the politicians are so keen on having. This country does not need to be engaged in politics, nor does it need politicians. What this country needs is for people to work to resolve the great problems that affect the community. What kind of dialogue does the nation call for right now? I would say that a dialogue must be held with the workers of (name indistinct) to solve their problems. In that dialogue there

must be respect for the agreements signed during the concerted effort and for workers' rights. There must be a dialogue with the different sectors where conflicts exist, which—by the way—are widespread.

[Reporter] There has been some criticism by Sandinist sectors. Do you believe there is an internal crisis in the party?

[Ortega] The criticism is nothing new. The criticism consists simply of comments made during open discussions, but I believe that unity must be over and above the criticism. Unity must prevail. However, unity does not mean to keep silent, but rather to know how to deal, respectfully, with the different problems that come up in such a large and broadly represented organization as the Sandinist party. [end recording]

* Victor Tirado Views Medal, Future of FSLN

92CA0081A Managua BARRICADA in Spanish
23 Jan 92 pp 1, 8

[Article by FSLN Commander Victor Tirado Lopez: "The Debate Not Yet Begun"]

[Text] Following the election defeat of the FSLN [Sandinist National Liberation Front] in the recent elections and using the development of our party's First Congress as a reference point, an initial attempt was made to debate our internal situation. Unfortunately, it got no further than the organizational aspects of the Front and the reelection or replacement of the National Leadership and this in an overlapping, although no less passionate, fashion, seeking to find the person or persons to be blamed for the election defeat.

I wish to state in a self-critical fashion that the Front's National Leadership was not up to the task at the time and, in a vain attempt to preserve unity, ducked any substantive debate and fell into the trap of the internal election game. I think that time alone will be able to render a final judgment on the soundness of such a decision in these very historic circumstances of the Sandinist Revolution.

Now, as little by little things begin to return to normal, we still have a situation of extreme political polarization in the country and the unofficial forces have not yet completely disarmed. Nor has the country's extreme right completely understood that the nation's stability and economic development depend on acceptance of the fact that there must be one nation for all, rather than only a few repatriates and individuals who amassed great wealth at a time when the international situation has taken the most violent turn of this century. And this as we witness, like so many castles of sand, the collapse of structures and dogma that only a year ago seemed to be immutable benchmarks of history, at a time when Japan, almost sardonically, says it feels pity and compassion for the most powerful nation on earth, the very nation that just months ago gave the most impressive demonstration of military and technological might in the history of mankind. In the midst of such mind-boggling changes, our small country is being called upon to resolve a new, unusual, and extraordinary historic situation: choosing the path of its economic development after having embarked upon a profound social revolution and surviving, literally surviving, military aggression without precedent in Latin America's modern history. Consequently, whether or not they are revolutionaries, Nicaraguans face questions of far-reaching historic importance concerning how to face the challenges of economic survival, first of all, development and, above all, the process of assimilating modern technology, which is changing at the speed of light.

With absolutely no fear of being mistaken, we can claim that no one can define himself as a revolutionary without first responding specifically to the precise question of how we are going to build the future, how we are going to get this country to produce, and how we are going to approach the 21st century, a century some say has arrived at least 25 years ahead of time.

It is an elementary observation that different ideological positions will yield different responses. The so-called "neo-liberal" model applies its formulas with mathematical precision and the effects on poor people are catastrophic. Rarely has mankind ever been called upon to feel more shame than it must now when, with almost incredible domination by cybernetics and communications and scientific-technical development reaching unheard-of levels, over 180 million children in the world's undeveloped countries live daily in a state of advanced malnutrition. As we come closer and closer to landing on Mars, half a million women die a year during pregnancy and in childbirth and, as computers achieve prodigious feats in the field of artificial intelligence, nearly 1 billion of our countries' adults cannot read or write. This is not communist propaganda. Rather, these statistics are from the United Nations.

Solving the problem of how to emerge from our poverty is the real frame of reference from which we must analyze our current situation. It is the real face of the coin. This is the debate we never began, a debate which, in the midst of a bitter dispute set off by the awarding of the Order of Camilo Ortega to the country's military attache who armed, financed, and headed the war against our country, prompted me to write these lines, lines which, in a fraternal spirit, I wish to share with all Sandinists and Nicaraguans of good will.

1—Without question, any public debate between members of the Sandinist Front's National Directorate rouses surprise and speculation due to the very unusual nature of the practice. And yet, no one should be surprised by a daily practice of the Directorate that for the first time transcends the private realm. It is just another sign of the enormous changes that our society and, consequently, our own organization have suffered.

However, there must be no improper use of adjectives discrediting the positions of anyone, for it destroys any

possibility of finding solutions and enormously increases the risk of subtracting rather than adding. In the final analysis, one does not have to think to insult. No one should claim to have the absolute truth and be totally right.

2—Enormous, unresolved problems in Latin America and the Third World demand a response, an alternative solution, which the left must find. Methods of struggle and ways of solving problems that may have been valid for three decades no longer work. Problems that led to the guerrilla war of the 1970's remain the same or get worse and the population expands. Injustice, hunger, and poverty were the fundamental causes that led thousands of men and women, Marxist and Christian, with and without parties, in the mountains and the cities, to embark upon a relentless, unequal, painful, and extremely heroic struggle in search of more just forms of social organization, more human forms of life, and paths of hope for the poorest people, meaning the majority, the absolute majority. We must recognize with revolutionary serenity that times have changed and that the solution to yesterday's problems must be found now if we want to be a real political option in the future.

3—The fight for national sovereignty and independence led the young Sandinist revolution into an unequal, unyielding struggle with the government of the United States, a struggle shot through with profound anti-imperialist meaning. The East-West conflict was the frame of reference the Americans used to shape their attack on Nicaragua, where Sandinist thought guided the defense of the revolution. Thousands and thousands of Nicaraguan brothers on both sides gave their lives in defense of their ideas, some defending the revolution, others prompted by foreign interests, but all Nicaraguans and the vast majority of them poor.

On the side of the revolution, extraordinary levels of sacrifice characterized young people heroic in a thousand ways, a peasantry that paid in blood for their right to land, mothers who surrendered their sons—often the only thing they owned—with strength and bore their death with stoicism and sacrifice.

This is the story and the truth. It can never be forgotten. These truths cannot be erased from a history filled with symbols and lessons we have gradually learned, lessons we must respect in the deepest part of our souls. They must fill us with immense pride, but not keep us living in the past, statically locked in history. Rather, we must understand that we have advanced dialectically and that the only dogma still prevailing is that there is none.

4—The medal awarded to Colonel Quinn is not the central problem. The real problem is designing a new framework of relations with a political reality that includes: a United States more dominant than ever and that has no counterpart in the former socialist countries now that the East-West conflict is over, this in a world comprised of enormous blocs of economic power and where technological backwardness can take us back to the Middle Ages. Furthermore, it is a relationship that must be built from positions of dignity and respect, dignity we Sandinists have had in excess, respect we won throughout the world in an extraordinary struggle sustained over ten years of unequal war.

I think that calling Humberto an opportunist and subjecting him to a string of insults from the media and our revolutionary comrades is not the way to approach such a problem as complex as that of moving from an age of armed revolution to one of peaceful coexistence with the very power that has been our greatest historic enemy. To label Humberto Ortega a mere opportunist is to simplify things in a way that lends itself to a superficial, subjective analysis. It is perfectly debatable whether the Camilo Ortega Medal was proper recognition or whether a certificate or diplomatic plaque would have been enough. I think it is an oversimplification to believe that granting a medal of any kind will change the global policy of one nation toward another, particularly when they have been pitted against one another in a merciless fight to the death.

The normalization of relations with the United States, a world reality, by Nicaragua, another enormous reality in terms of dignity and sovereignty, is probably the most complex task facing our society. Nor should anyone think it is an easy task for the United States. In the final analysis, it is forced to admit that, despite its enormous military might, it could not defeat the Nicaraguan revolution, for if this had occurred, if the wishes and predictions of the aggressor had come true, we would not be discussing a medal on Colonel Quinn's chest, but rather, a commemorative tablet on—with any luck at all—comrade Humberto Ortega's grave!

I am therefore asking people not to be confused by circumstantial events and major strategic problems that remain to be resolved. We are human and do not always have sufficient humility and ability to do everything right all the time.

Our challenge as revolutionaries lies in moving this nation ahead. Being a revolutionary no longer consists in saying so but rather, in finding ways of overcoming the people's poverty. Our purpose is the same as when we went into Bocay jungle some 28 years ago. The difference lies in the fact that we must find new paths in jungles even more complex than the mountains of northern Nicaragua: jungles of poverty, heartless capitalism, an unjust international economic order.

As I said on another occasion in a highly criticized article, the time of the anti-imperialist revolution is over, at least in its armed version. The struggle has moved to another ground, but our adversary has also learned his lesson.

This is our pride and our greatest reward. It is the flip side of the coin, the one justifying the sacrifice of Camilo and the tens of thousands of others who hold this distinction.

We now have a nation with better possibilities of development if we join together and enjoin the fight for economic development with justice and well-being for all. It is an open field. Let us now begin the real debate. Let us not get caught staring at the wrong side of the coin.

Managua, 22 January 1992.

Panama

President Endara Meets With Secretary Cheney

PA1902034992 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Feb 92

[Text] President Guillermo Endara met with U.S. Defense Secretary Richard Cheney on 18 February to promote a new phase of rapprochement between the United States and Latin America. Details of the meeting were not disclosed.

Cheney, accompanied by Ambassador Deane Hinton and Southern Command Chief George Joulwan, met for 10 minutes with President Endara at the presidential palace. The meeting, which dealt exclusively with military and defense matters, was conducted in secret without a previously disclosed agenda. The meeting was also described as very important.

Cheney's presence, described as a courtesy visit, follows the publication of a Pentagon report calling for the preparation of U.S. troops for possible participation in international conflicts. Among the countries mentioned are Panama, where political destabilization could, hypothetically, prevent ships from freely transiting the canal. Cheney did not talk with national or international reporters who had gathered in front of the presidency since this morning.

[Begin Presidential Press Secretary Rene Hernandez recording] Defense Secretary Richard Cheney said the national and international press had implied that his visit was related to talks on the presence of the Southern Command beyond the year 2000. He denied this, adding that the U.S. Government has no plans to have Southern Command troops remain in Panama beyond the year 2000. He denied international press reports that he would be asked to transfer the Southern Command to Brazil. [end recording]

A presidency press communique says that during Cheney's visit, both governments renewed their pledge to fulfill and respect the canal treaties. As stipulated, troops will be withdrawn in an orderly and jointly coordinated effort.

Cheney will continue his tour of Argentina, Brazil, and Chile after reviewing U.S. troops stationed in our country.

Herrera Jailed on Destabilization Charges

PA1902035292 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Feb 92

[Text] Police sources confirmed a few minutes ago to RPC Television that former Captain Ricardo Herrera, also known as Martirio, was transfered on 18 February to the Modelo prison. The sources did not state where he was transferred from. Since his testimony at the Public Ministry on 14 February, his whereabouts had been unknown. Former Capt. Herrera has been implicated in efforts to destabilize President Guillermo Endara's government.

Court President Orders Review of Paredes' Bail

PA1802164592 Panama City EL PANAMA AMERICA in Spanish 18 Feb 92 p 1

[Report by Juan Pritziolas]

[Text] Supreme Court President Carlos Lucas Lopez has revealed that he asked court magistrates to review the bail ruling issued in favor of former legislator Rigoberto Paredes to determine if there was a mistake or an irregularity.

Lopez said this kind of review has been conducted on other cases, however, he noted that "he certainly does not believe" an illegal action led to Paredes' provisional release.

The court president said that crimes that a segment of the population might attribute to the former legislator should be differentiated from those for which he is being charged.

Lopez criticized citizens who, out of fear, do not denounce crimes but voice them through the media and organizations that claim to be "committed to justice." These people, he added, neither formalize charges nor substantiate them.

Meanwhile, Rigoberto Paredes said he was freed after posting two bails totaling $200,000.

The former legislator ruled out that superior courts can revoke the ruling of the judge who approved the bail because there is no incriminatory evidence in his file.

Cruz Denies Pact With PRD To Free Paredes

PA1802172092 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Feb 92 p 28

[Article by James Aparicio]

[Text] On 17 February, Attorney General Rogelio Cruz labeled as "false and biased the opposition's accusations that former Legislator Rigoberto Paredes was freed as a result of a political pact with the Democratic Revolutionary Party, PRD."

Referring to Paredes, accused of alleged electoral crimes, Cruz noted: "I do not have all the facts to formulate an opinion. However, the judge and the prosecutor are the ones to be questioned."

Cruz also denied that the eight soldiers involved in the alleged plan to topple President Guillermo Endara have been tortured.

Captain Francisco Herrera, alias "Martirio," claims he is being mistreated and kept in a dark cell in the Naos jail.

Cruz noted that the Attorney General's Office "cannot invent crimes" and it will not arrange to free approximately 54 civilian and military sympathizers of ousted General Manuel Antonio Noriega, who were arrested as a result of the U.S. military invasion on 20 December 1989.

Arnulfist Party Communique Supports Endara

PA1802191392 Panama City EL SIGLO in Spanish 18 Feb 92 p 9

[Resolution issued by the Arnulfist Party National Directorate in Panama City on 13 February]

[Text] Whereas:

Guillermo Endara Galimany is the ruling president of the Republic of Panama due to an overwhelming mandate of the people, as expressed by the democratic voting process, in accordance with the political Constitution.

For two years, presidential initiative has promoted substantial reforms to the Constitution, consolidating the national and democratic structures. Also, substantial progress has been made in restructuring and reactivating our national economy, which will bring well-being to a large number of citizens.

The country has witnessed an increase in the acts and activities directed at undermining what progress has been achieved in the democratization and strengthening of our institutions.

Resolves:

First: To reiterate our support for Guillermo Endara G. as the constitutional president of the Republic, elected by the people for a term of five years.

Second: To accept the responsibility and the authority vested upon the president of the Republic, in accordance with the Constitution and the law.

Third: To reject, repudiate, and pursue due punishment for all acts directed at undermining the legitimate authority of the president and any attack, show of force, or subversive activity that might threaten the legitimately established government bodies or expressions of the people's will.

Fourth: To support any action by His Excellency Guillermo Endara Galimany, the president of the Republic, in favor of the consolidation of our democratic and republican system, especially those which lead to total demilitarization and guide the public force away from partisan politics.

Fifth: To call on all of the party's organizations faithful to the Panamenist-Arnulfist ideals to mobilize and stay alert.

[Issued] Panama City, 13 February 1992

[Signed] Mireya Moscoso de Gruber, president of the Arnulfist Party;

German Vergara, acting secretary general of the Arnulfist Party.

Chorillo Residents Raise Flag on Ancon Hill

PA1802234092 Panama City Telemetro Television Network in Spanish 1720 GMT 18 Feb 92

[Text] Chorrillo neighborhood residents on 18 February hoisted a Panamanian flag on Ancon Hill while their leader, Hector Avila, spoke out for the defense of democracy in Panama.

[Begin Avila recording] We are here to reconfirm our sovereignty as Panamanians, Panamanians, Panamanians [Avila repeats], not like those who brag about being nationalists or others—why not say it—such as the nagaras [communists]. We take the opportunity of U.S. Defense Secretary Richard Cheney's visit to demonstrate that there are Panamanians who truly love this nation. We call on the hotheads not to give the masters of the world or the Yankees—whatever you want to call them—another excuse to invade our cherished nation. We do not support those groups fostering subversion. No sir. In 1994 we will go to the elections, and that will be it. I take this opportunity to inform all the Chorrillo residents, who are included in housing projects, no matter where they are, that we held a meeting on 17 February with [Christian Democratic] Legislator Milton Henriquez. During that meeting, we were informed that Legislator Lucas Zarak, from the 8-7 Circuit, was appointed as the president's representative. At the same time we were asked to handle the information wisely.

A commission will be formed, including our representatives, and in 10 days we will be called to a meeting. Milton Henriquez will be advised when President Endara agrees to meet with us. We will attend the meeting and at that time we will receive a just reply to our demands and requests, which have always been justified. Dr. Roberto Troncoso [President of the Panamanian Human Rights Committee], in his semi-annual report, said we are right. I have always held that view. Thank God, we have finally achieved victory, and that is why we hoisted our flag here, as Chorrillo residents and as Panamanians. We want to tell all Panamanians we have a wonderful nation and we must protect democracy; a true democracy touching all levels of Panama's impoverished society. [end recording]

Argentina

Privatization of Military Enterprises Viewed

PY1802221692 Buenos Aires CLARIN in Spanish 17 Feb 92 p 14

[Article by Omar Baez]

[Text] The military industrial complex was born to become the basis of national development, but it now is the cause or the excuse of decadence. It is an obscure destiny: Either its resources are used rationally or it disappears, but for some people this means the same thing. This is the reason why the new plan for voluntary retirement in the military will be known before the end of the month, to expedite the process that has been delayed since last year. The World Bank will provide $300 million for its financing.

Since Jorge Pereyra Olazabal took over as Defense Ministry planning secretary, the changes were accelerated by pressure from Defense Minister Antonio Erman Gonzalez, who wants to put an end to military enterprises' deficits, and because of the need to get funds to finance the Armed Forces' reorganization.

Military industries lost $200 million in 1991, which had to be provided by the Treasury. If the figures are handled the way a private company does, the year's debt reaches $700 million. This is outrageous to the ears of the people who audit the state's accounts.

Pereyra decided to separate the management of strictly military production from the management of production for civilian use. The future of civilian production is privatization or liquidation. If military production "does not find a private partner, it will have to face a new process of rational production." This is where some officials of military industries associate rational production with disappearance. They explained: "They are different stages in the same direction."

Pereyra named himself intervenor in the black hole of military industries through which million of dollars were flowing. He also found out that private companies were interested in the factories for synthetic toluene and sulfuric acid. He immediately contacted a lawyer to draw up the bidding conditions. The lawyer is a senior professional of one of the most important groups specializing in administrative law.

The Decker and Pirelli companies showed interest in ECA [expansion unknown], the factory that produces sheaths and electrical conductors. Pereyra said: "The bidding conditions for one of the chemical factories already have been drawn, but all three will be known in 30 days."

Pereyra began the changes in military industries with the Zapla Blast Furnace. It is the first holding [preceding word in English] company that will be transferred to private hands this month.

The Forja company is facing a difficult situation after two failures to sell it. It now will be sold directly without a bidding. But the few companies interested in this iron and steel firm from Cordoba want Forja to have an order contract with the State Railway Enterprise. In other words, they want the contract transferred when Forja is privatized.

But the greatest problem for military industries is not the privatization process but the reduction of personnel. During the administration of Carlos Carballo, a plan was drawn up for its reorganization, which included the voluntary retirement of 7,100 employees. The only thing that has changed in that plan so far is the time of its application. Pereyra accelerated the plan, but the new plan will be known this month.

No one in the Defense Ministry wants to talk about the General Mosconi Petrochemical Plant. Pereyra appointed Pablo Matosian as the mediator who will disclose the company's 1991 balance in the next few days. Neither of the two wants to talk about the balance, but everybody says that it will be in the red, very red. But there are some detractors who warn of a maneuver to lower the expectation about the sale price in the upcoming privatization bidding.

After SOMISA [Argentine Iron and Steel Joint Association], the General Mosconi Petrochemical Plant is the next great privatization step.

The 51 percent of shares of the Bahia Blanca Petrochemical Plant and all the shares of the Domecq Garcia Shipyard are "a different thing." The petrochemical plant must solve through an arbitration court a dispute among its partners (several of whom are also clients) about controversies and mutual claims of more than $800 million. If the court issues a ruling this month, as everyone expects, the shares' sale will have no major complications. It will be fast and a significant quantity of dollars will enter the Treasury.

The situation is different with the shipyard. There are some ships using atomic propulsion, 400 workers on temporary suspension, and line production has been paralyzed for a long time. On this issue, there are no decisions to be made except voluntary retirement and, apparently, the closure of the naval shipyard.

SOMISA is something else. Under the management of Maria Julia Alsogaray (and with more than 155 million pesos to be distributed for voluntary retirement), the iron and steel company will be transferred to private hands by 30 June at the latest. No one knows how much money can be obtained from it, but Defense Ministry officials say this in private, just in case, not to create too much expectation about the price.

Dignity Movement Leader on Party's Prospects

PY1802230892 Buenos Aires LA PRENSA in Spanish 17 Feb 92 First Section p 4

[Interview with Aldo Rico, leader of the National Dignity Movement, Modin, by unidentified NOTICIAS ARGENTINAS correspondent; place and date not given]

[Text] [NA] What are Modin's political goals after the September electoral results in Buenos Aires?

[Rico] We want to consolidate ourself as the third political force and elaborate more on what we consider to be the only true opposition. We want to be the second political force in 1993 and the first in 1995.

[NA] What are your short-term goals?

[Rico] We are committed to winning the election for national senator in the federal capital. Adelina de Viola [interior undersecretary for institutional affairs] told Venturino and Barreiro a few days ago that the election here could take place in "July or August."

[NA] Do you want to become the federal capital's senator?

[Rico] I am not really sure about it. It is a bit hasty to speak about candidacies beyond the fact that Modin followers want me to run. I am not totally convinced, because my true territory is Buenos Aires Province, despite the fact that I was born in the federal capital. I am not looking for a job.

[NA] In which provinces did the Modin grow?

[Rico] The Popular Action Movement (MAP) was born in the federal capital, but we have created promotion groups in Cordoba and Mendoza. I have just returned from Salta. I created promotion groups in Jujuy, Entre Rios, Tucuman, Corrientes, and Chaco. On 18 February, I will go to Neuquen to create a group similar to the one in Chubut. We have people working in Rio Negro, and the court is about to accept us in Santa Fe.

[NA] Why do you think you will beat the Radical Civic Union out of second place?

[Rico] Surveys such as those conducted by Lynch, Menendez, and Nivel place us just behind the Radicals in voter intentions for 1993 in Greater Buenos Aires. A survey in December gave 18 percent to the Justicialist Party, 7 percent to the Radicals, and 6 percent to Modin. Mora y Araujo [polling organization] told a radio station that we are the only party that is growing.

[NA] What are the reasons for that growth?

[Rico] Perhaps it is not our merit but the demerit of the other parties. Juan Peron used to say: "It is not that we are good; the others are worse than us."

[NA] You were in Salta. What is your opinion of the cholera situation there?

[Rico] Cholera is the disease of poverty. I visited Tartagal and saw there that the same situation of utter poverty has not changed in the past 20 years. The government's economic plan wants to postpone a consumption increase. If you really want to understand the adjustment plan, you have to read Jose Luis Manzano: He said that we must pay one-twelfth of the December salary bonus to avoid inflationary peaks. The Menem-Cavallo-Manzano government maintains that inflation is a product of consumption. They also say, however, that we belong to the First World, and the First World is a consumers' world.

[NA] Most people think that the government plan has brought about stability.

[Rico] The government has found an easy way to produce stability by banning consumption. Consumption increases with people's activities. Consumption will increase in March because of the beginning of the school year. We think that inflation is not a product of excessive demand but a product of the lack of investments and industrialization.

[NA] Can you elaborate on that point?

[Rico] The productive apparatus has been destroyed. It remains in the hands of a captive market, where companies are not interested in increasing supply or competing for prices. Companies are tied to the demand. If demand increases, they increase their prices. It is very easy. If you have a headache, you cut your head off and the pain stops. If your belly hurts, you do not eat and you get better. The government says that we will not have inflation if we do not consume. In order to control inflation, we have to maintain frozen salaries and a fixed foreign exchange rate; we should not pay domestic suppliers or invest. We should not make social investments in health and education, or we will have inflation. It is easy to be a politician this way.

[NA] What is your opinion of the presidential invitation to East Europeans to immigrate to this country?

[Rico] As usual, the president has improvised and made a superficial proposal. He confuses genius with improvisation. This is a strategic problem. The world has two big problems: the migration of people to places with a better life expectancy and the issue of ecological balance.

[NA] How does Argentina fit in that picture?

[Rico] Argentina is part of an ecosystem that covers all of Latin America. This ecosystem produces oxygen for the rest of the world. Latin America is essentially an empty space, with little population. But you lose the space you do not occupy, and someday we may be invaded peacefully. We will be forced to accept large numbers of people whether we want them or not. Therefore, we must seriously analyze how to receive these people without

breaking the ecological balance and without lowering our standard of living, losing jobs, or endangering our cultural inheritance.

[NA] What do you suggest?

[Rico] We should accept immigrants who are no longer of working age, for instance, pensioners. We can offer a great number of pensioners a place to live their last days decently. But that has to be negotiated. Those pensioners must have the economic power to increase our internal market and reactivate our economy. Their immigration will mean construction, services, and tourism. Argentina and Latin America must exchange their foreign debt for ecological programs and residency for large populations. All this, however, must be discussed as part of an overall problem with conditions. Otherwise, we will see the immigration of impoverished people who will take jobs away from the Argentine people and will live in subhuman conditions, as happened with the 1978 Laotian immigration.

[NA] Do you think like [Colonel Mohamed Ali] Seineldin about the Venezuelan situation?

[Rico] No. I think the colonel is confused, but not just now. Regarding the Venezuelan situation, look, here I have a Venezuelan survey. But first I will say that we reject the use of a coup as a political tool. I will try to avoid giving you a superficial opinion about the Venezuelan situation. I will show you the data. There was a conflict, and there surely must have been a reason. If there was a reason, there are those who are responsible and who were unable to face the problem in time. Those in political positions are to blame. The causes must be dealt with before they blow out in the street or before there is a military uprising, looting of supermarkets, strikes, or accidents. Just as Grondona [television commentator] says when someone makes a mistake and kills someone else.

[NA] What survey are you talking about?

[Rico] In 1991, the Venezuelan population under the poverty line reached 63 percent. In the past five years, the middle class shrank from 65 percent to 35 percent. This happened despite the fact that Venezuela kept its oil earnings. Apparently, the corruption of public officials and the lack of concern of "Carlos Andres Perez," who lives abroad and does not worry about the country's problems—any similarity with Argentina is pure coincidence—is giving proof of what the situation there must be.

PCA Denies Receiving Funds From CPSU

PY1502175392 Buenos Aires CLARIN in Spanish 13 Feb 92 p 20

[Text] The Communist Party of Argentina [PCA] has denied it received economic aid from the former USSR, as has been charged by a Russian judge before the Russian congress. Russia is the largest republic of the former USSR.

Yevgueni Lisov, Russian assistant attorney general, told the EFE news agency in Moscow that several leftist parties of the Americas benefited by the deviation of funds from the now outlawed CPSU.

According to the Russian attorney general's office, from 1981 to 1990, the PCA received a total of $4.65 million, and the Venezuelan communists received $4.6 million. Lisov added that the CPSU sent over $6 million to Chile in the 80's. Most of these funds were sent to the Communist Party of Chile, and lesser amounts were granted to the Socialist Party of Chile, the United Popular Action Movement Peasants and Workers faction; and the Radical Party. The Bolivian Communist Party obtained $1.8 million, and the Brazilian Communist Party was granted $3.2 million.

On 10 February, the assistant attorney general charged before the Russian congress that the CPSU had "embezzled" party funds and that it sent "a total of $200 million to parties abroad from 1981 and 1991."

According to PCA press secretary Oscar Laborda, the charges made by the Russian attorney general's office "are a lie. This statement was made by the same people who have outlawed the CPSU and who are responsible for the chaos in which the former Soviet republics are submerged."

Through its press secretary, the PCA denied these charges with the following arguments:

- This is obviously a captious source. Those who are making the charges do not allow communism to express itself in Russia today because it has been outlawed.

- Laborda said that the PCA is essentially financed by "its members and followers." In 1991, the PCA carried out its "45th finance campaign," a tool typically used by the PCA and other leftist parties to obtain funds. In addition, the PCA "charges $2 per vote as established by the law."

- The PCA is involved in the national cooperatives system, like the Cooperatives Fund Management Institute. Therefore, it is not unlikely that the PCA may have resorted to this system to finance its activities more than once.

-Laborda said: "It is ridiculous to charge us with having received funds up to 1991, because in 1983 our party began a revision process that, as of 1986, resulted in the distancing of the two parties."

Labor Bill Renews 'Offensive' Against Unions

PY1602214092 Buenos Aires BUENOS AIRES HERALD in English 15 Feb 92 p 11

[Excerpt]—The government yesterday renewed its offensive against the powerful trade unions with the announcement of the bill reforming the professional association and collective labour bargaining laws, thus imposing new limitations on the unions. Labour strongmen have already expressed their opposition to the amendments.

On making the announcement, Labour Minister Rodolfo Diaz explained that "the intention of this reform is to have clear legislation to strengthen the labour organizations through the necessary changes which must be made in order to adapt them to current times."

The minister pointed out that the government "will not rush to send this bill to Congress to avoid the lobbying of the unions" and recalled that his department "has been working for eight months on this issue." [passage omitted]

'Slashing' of Public Personnel Ranks Reported

PY1702223292 Buenos Aires BUENOS AIRES HERALD in English 17 Feb 92 p 5

[From the "Business" column]

[Text] (DYN)—The World Bank is expected to disburse another 300 million dollars to Argentina next month in view of the country's success in slashing personnel ranks. According to official estimates, the central public administration has been pared down to 200,000 employees from 340,000 before the streamlining programme began. "The cuts have allowed us to launch a relocation plan and improve employee wages," a government source said. The salary increases, including hikes of up to 70 percent for senior personnel, will go into effect this year. Treasury Secretary Ricardo Gutierrez has stated that 100 million dollars will be earmarked in this year's budget for wage payments.

Menem Meets With European Community Officials

WA1802174092

For reportage on the visit by President Carlos Menem to Brussels, including reports on his talks with officials of the European Community, please see the INTER-EUROPEAN AFFAIRS section of the 18 February West Europe DAILY REPORT and subsequent issues.

President Menem Visits Paris, Meets Mitterrand

WA1802180492

For reportage on the visit by President Carlos Menem to France, including reports on his talks with President Francois Mitterrand, please see the France section of the 18 February West Europe DAILY REPORT and subsequent issues.

Brazil

Collor Approves Exports Promotion Package

PY1902014092 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Feb 92

[Text] Brazil might make an additional profit of $3 billion with its exports this year. President Fernando Collor approved today a number of measures to facilitate exports and imports.

The National Treasury will open a $1 billion line of credit to subsidize exports. Loans for exports will have longer terms and lower interest rates. Exporters also will have tax exemptions on industrialized products when they purchase raw materials or components manufactured in Brazil. The deadline for tax reductions on imports will be moved up. As of 1 October 1992, taxes on imported products will average 17 percent. It will be easier to import through the post office. Individuals will be able to purchase up to $500 through the mail. No taxes will be due on packages worth less than $50.

The purpose of the package of measures announced today is to increase the quality of traded products. As a result, the country will be more open to competition, the president told a group of businessmen.

[Begin recording] National entrepreneurs will be able to successfully confront the restructuring of their industries and increase the quality of their products and competitiveness. They will be able to provide more and better training to workers and increase employment and salaries, naturally with an increase in productivity. [end recording]

President Collor praised Brazilian entrepreneurs for their efforts to face current difficulties.

[Begin recording] Brazilian entrepreneurs have shown their capacity to innovate and promote development, when going through past circumstances as critical as the present ones. [end recording]

The president also praised those who remain optimistic.

[Begin recording] Only the optimists believe that it is worth it to take the risk to collect profits in the future. Only the optimists work constructively with their eyes fixed on a better tomorrow. [end recording]

By promoting exports, the government will entice Brazilian companies to become more competitive. The measures will also help the import of cheaper products. The result might be even more profitable. The government and businessmen have the same diagnosis: At a moment of crisis and recession like the present one, the only sector with a chance to grow and create new jobs is the export industry.

[Begin recording] [Exporters Association President Marcos Pratini de Moraes] The measures are welcome. The practical results in the short term will be to reduce the level of layoffs. Companies will begin rehiring workers. Each billion dollars in exports represents a minimum of 50,000 new jobs.

[Commentator Joelmir Betting] The recession will not be as deep if exports increase. Agriculture industry exports are employing 3 million people directly, and many more are employed indirectly. Inflation also will be reduced with the import of cheaper products. Imported products with increasingly lower tariffs will help hold down prices of Brazilian products. It is a competition shock from outside. Let us remember that the only countries in the Third World that are growing today, growing rapidly with a minimum of inflation, are exactly those countries that opened their doors, with both hands, to international trade. This is what Brazil will try to do starting today. [end recording]

Marques on Inflation, 'Dollarization,' Tax Reform

PY1802194892 Rio de Janeiro O GLOBO in Portuguese 17 Feb 92 Economy Section p 15

[Report by Cristina Chacel]

[Text] Economy Minister Marcilio Marques Moreira said yesterday that it is already possible to expect an inflation rate ranging between 22 and 23 percent for February. He predicted a downward trend for inflation within the next few months but admitted the possibility that, in December, Brazil will not present the IMF with the two percent monthly inflation rate established in the letter of intent approved by the IMF on 29 January.

Marques Moreira said: "In the adjustment program that we presented to the IMF, we engaged in commitments involving monetary and fiscal targets. There is no two percent target, because inflation is not a target but a result. This month's inflation is pointing at 22 or 23 percent, and we can reach three or four percent in December."

Dollarization, never. In Marcilio Marques Moreira's opinion, the alternative—an unorthodox solution that has been suggested by economists in keeping with the inflationary surge—does not have any consistency and is inappropriate for Brazil. He ruled out the possibility that Brazil will follow the path of Argentina, where there was a certain acknowledgment of the factual situation in which dollars were already being used very often as currency. Marques Moreira added that dollarization makes even less sense for Brazil when one observes that the country's economy is not very integrated into the world economy, which can be easily confirmed by the fact that exports represent only nine percent of the GDP [gross domestic product] and imports represent five percent of the GDP.

Marcilio Marques Moreira warns that people should not expect an instantaneous price decline when the alternative does not involve implementing more instantaneous remedies. His anti-inflationary policy is based on the administration of the monetary and fiscal policies and on selective actions to encourage the supply of products, especially agricultural products. Concerning this point, Marques Moreira describes the tax reform approved by Congress as insufficient, or better said, sufficient for 1992, as far as tax aspects are concerned.

Marques Moreira explained: "Congress actually approved another tax reform sufficient for 1992. This reform, however, will have to be followed by a broader tax reform, controlling public expenditures and distributing responsibilities at the federal, state, and municipal levels. This does not merely involve cutting back on public expenditures, but ordering them better and giving them priority."

Still within this context, the economy minister said he believes that state-run companies can and must go on a diet against swelling. These companies, however, will, above all, be subjected to a strict performance evaluation, as private companies are.

Asked if it is acceptable for a public enterprise in Brazil to pay 8 million-or 13 million-cruzeiro salaries, Marques Moreira responded that he is awaiting a global and detailed study by Infrastructure Minister Joao Santana on the status of public utility rates, cost expenditures, payrolls, and investments by state-run enterprises. Without having such a study in his hands, Marques Moreira prefers not to pass any judgment.

Foreign Exchange: "Sometimes Liberty Is Confused for Libertinism"

The country will be headed, in the midterm, for a free foreign exchange and capital market system, but this does not mean that financial activities will not conform to rules and regulations and ethics. Economy Minister Marcilio Marques Moreira also said a few words about irregular gold and dollar operations recently reported and about the investigations on the use of Brazil as a narco-dollars route to launder the money gained from drug trafficking on the international market.

The minister warned: "Sometimes liberty is confused for libertinism. We will conduct strict monitoring, and we are being very careful about this but all required measures will be taken." Meanwhile, the minister did not report on these measures and whether they will have a short-term goal.

Marcilio said that Brazil's proposal to renegotiate the debt with the Paris Club involves rescheduling two-thirds of the debt, including overdue payments and payments that will become due and will extend between July 1989 and August 1993. According to the economy minister, this proposal, rescheduling payments to 15 to

20 years, was well received and should be approved during the Paris Club's upcoming meeting on 24 and 25 February.

'Lack of Control' Over State Enterprises Viewed

PY1502205492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Feb 92 Economy Section p 1

[Report by Beatriz Abreu and Marcio de Morais]

[Text] Brasilia—Infrastructure Minister Joao Santana has given way to the pressure applied by Economy Minister Marcilio Marques Moreira and has decided to tighten control of state enterprises, even after saying that they did not need any more controlling. On 11 February, Santana met his four secretaries and ordered that the 128 state enterprises must submit a complete report by next week detailing their cash flows, their performance since 1989, and their total expenditures, including salaries.

The order—which was issued in the tone of an ultimatum—was the practical result of a harsh conversation the day before between the two ministers, when the Infrastructure Ministry was told to put the enterprises within the framework of the government's economic policy. Santana's retreat served to ease the tense atmosphere between the two ministries. On 11 February, the economy minister's advisers reacted with indignation to the infrastructure minister's remarks regarding the transfer of the resources of Eletrobras [Brazilian Electric Power Company Inc.] to Light [Light-Servicos de Electricidade SA] before the accounts of the holding [preceding word in English] of the electricity sector were frozen, a decision that was adopted "jointly" with Economy Ministry Executive Secretary Luis Antonio Goncalves.

"At no time did Goncalves participate in discussions of that type," guaranteed a high-ranking adviser, who recalled that the executive secretary himself supported the freezing of the accounts, which had been ordered by the Treasury. Santana's remarks that Goncalves had participated in decisions unknown to him, in the Economy Ministry's version, added negative points to the relations with the Infrastructure Ministry. The dialogue between Marques Moreira and Santana became "somewhat complicated" after the economic team discovered "signals of a lack of control" within the enterprises, according to Economy Ministry advisers.

Due to the atmosphere of uneasiness, a meeting between the two executive secretaries of the ministries, Luis Antonio Goncalves and Sima Medeiros, that had been scheduled for the afternoon of 11 February to study the control measures for state enterprises was canceled. It was only Economy Secretary Dorotea Werneck who met with the four Infrastructure Ministry secretaries to evaluate the recovery of public rates that has been implemented.

Marques Moreira does not want to enter into a controversy with his colleague Santana, and on 11 February he recommended that his secretaries should be "scrimpy with their remarks" on the incident with the infrastructure minister. An adviser has said that "the minister wants things to blow over in order to talk more calmly." The complaints about the performance of the state enterprises fall on the two largest holdings [preceding word in English] subordinate to Santana: Petrobras [Brazilian Petroleum Corporation] and Eletrobras.

The Economy Ministry refuses to approve the 65 percent salary increase that was given to Petrobras personnel in January, "a month outside the collective agreement renewal date." The electricity sector holding [preceding word in English] already has been accused of "penetrating" the freezing of accounts. "Reports indicate that the money to pay the World Bank debt was used to pay other contracting enterprises and not just Xingo [a hydroelectric plant], which is a priority project for President Fernando Collor," according to the advisers.

Government To Appeal Court Rulings on Pensions

PY1502125792 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Feb 92

[Text] National legal adviser Celio Silva has said that as far as the government is concerned, pensioners will be paid the 147 percent readjustment only after the Federal Supreme Court's final ruling.

[Begin recording] [Reporter Delis Ortiz from Brasilia] The Federal Supreme Court has not closed the case concerning the readjustment for pensioners. The court ruled that Decree 430—which deferred until next year the payment of the 147 percent readjustment—is constitutional. The justices did not approve only one article, the one that allowed the government to punish officials who complied with court orders instructing them to pay the readjustment.

In practice this means that the government's argument acknowledging the debt but claiming to be unable to pay right now is still valid. In the meantime, whenever courts throughout the country rule in favor of the pensioners, the National Social Security Institute will have to pay the readjustment. Even so, the government has not given up.

[Silva] The courts cannot order payments that have not been budgeted. Economy Minister Marcilio Marques has already said: I cannot be ordered to give out apples if I have no apples. [end recording]

Labor and Social Welfare Minister Reinhold Stephanes stated a short while ago that the government will appeal each and every lower court ruling until the Federal Supreme Court issues the final ruling on the matter.

AMX Grounded Pending Crash Investigation

PY1502120692 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 92 p 9

[Text] The Aeronautics Ministry yesterday confirmed the suspension, for an undetermined period of time, of

the operations with the AMX fighter bomber in Brazil. The Brazilian Government will wait for the conclusions of an Italian investigation of the crash of an AMX plane on 4 February near Verona. The cause of the accident is not yet known. Two aeronautics officers are in Italy accompanying this investigation. The plane was planned and produced jointly by the Brazilian Aeronautics Company (Embraer) and the Italian companies Aermacchi and Aeritalia.

The Italian Air Force Staff decided to suspend the AMX flights until the cause of the accident is clarified. "It is a matter of safety," said the social communications center of the Brazilian Aeronautics Ministry in Brasilia regarding the cancellation of the AMX flights in Brazil.

Italian authorities want to know whether there have been problems with the fighter bomber's motor, which led pilot Roberto Viloti to make an emergency landing. The airplane had been operating for the past three years.

Suspension—Embraer said it will not make any official announcement about the accident in Italy. According to the company, the AMX is produced and assembled in that country by one of the companies that participated in the project. According to Embraer spokesman Antonio Augusto de Oliveira, the fault did not occur in any parts produced in Brazil. Embraer is responsible for 30 percent of the construction of the airplane.

The suspension of the AMX flights in Brazil is only a preventive measure, which is normal in cases of accidents due to technical problems. "The suspension will be short and will not affect the routine of the producers or the Brazilian and Italian Air Forces," said Oliveira. The Brazilian Air Force (FAB) has 13 AMX fighter planes, and in the next few days it will receive two more planes from Embraer. "The FAB has ordered 79 AMX, and there is no reason to reduce the production rhythm," the spokesman said.

Agreement—The AMX planes were planned and are being built thanks to a bilateral agreement between the Brazilian and Italian governments. The joint venture [preceding two words in English] between the Italian companies and Embraer agreed to build 266 of these airplanes in the next seven years, of which 187 are for Italian military aeronautics and 79 are for the FAB. The price of the airplane varies from $13 million to $16 million (nearly 22.7 billion cruzeiros), depending on the model (one or two seats).

The lack of safety detected in the AMX airplanes, including during operations in the Gulf War, reduced the sales of this model, which is currently used only by the Armed Forces of the countries that manufacture it.

Creation of Independent Parliamentary Bloc Noted

PY1502214092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 92 Political Section p 4

[Text] Brasilia—The Independent Parliamentary Bloc [Bloco Parlamentar Independente] (BPI), comprising the PTB [Brazilian Workers' Party], the PL [Liberal Party], the PDC [Christian Democratic Party], and the PDS [Social Democratic Party], with 114 deputies, was formalized yesterday by the Chamber of Deputies Board. Yesterday afternoon, the leaders of the four parties met with Social Action Minister Ricardo Fiuza, PFL [Liberal Front Party], who tried to delay the creation of the group, fearing a radicalization of the political positions in the Chamber of Deputies and the formation of an opposition bloc led by the PMDB [Brazilian Democratic Mobilization Party]. The BPI, the second largest bloc [in the Chamber of Deputies], can secure the chairmanship of important commissions and suggest sponsors [relatores] for controversial projects. Deputy Victor Faccioni, the PDS bloc leader, said: "We will champion social liberalism based on Christian laborism."

Chile

FPMR Leader Says Group Willing To Rearm

PY1502173792 Santiago Radio Chilena Network in Spanish 1000 GMT 15 Feb 92

[Excerpt] Rafael Pascual, leader of the Manuel Rodriguez Patriotic Front [FPMR], has stated in Madrid, Spain, that they are willing to again take up arms if the current government headed by President Patricio Aylwin carries out repressive actions against the people.

Rafael Pascual today in Madrid participated in a debate about popular movements in Latin America. A representative of the Salvadoran guerrillas and a member of the Communist Youths of Cuba also addressed the meeting. The debate, which was held at the Cardenal Cisneros Institute, was organized by the committees of solidarity with Cuba and El Salvador and was attended to by some 60 people. [passage omitted]

Leader's Comment Clarified

PY1802143092 Santiago Radio Chilena Network in Spanish 1000 GMT 18 Feb 92

[Text] The Manuel Rodriguez Patriotic Front [FPMR] will only take up arms again if the country is ruled by a government like the previous regime. This statement was made by FPMR Deputy Coordinator Leandro Torquio, who said that the remarks by FPMR spokesman Rafael Pascual were distorted.

Pascual escaped from prison in 1989 and sneaked out of the country. He said in a forum in Spain that the FPMR will take up arms again if the government of President Patricio Aylwin undertakes repressive actions.

Torquio commented on the official position of the FPMR. He said that the FPMR will return to the armed struggle if there is a return to the same repressive situation that existed under the dictatorship. He said that this is not the case now and that, consequently, the use of arms is not the most democratic solution. He added that the FPMR has abandoned violence and has become a political party, emphasizing that now it voices its demands through mobilizations.

Torquio said: The impressions that our representative created abroad were distorted because they were made at an international forum that addressed general issues rather than specific matters. He added, however, that if the reports are correct, Pascual's remarks in no way represent the current official position.

MIR Joins MIDA for Municipal Elections

PY1502203092 Santiago EL MERCURIO in Spanish 9 Feb 92 p C3

[Excerpt] Yesterday the political faction of the Movement of the Revolutionary Left [MIR] officially joined the Allendist Leftist Democratic Movement (MIDA) for the purpose of facing the upcoming municipal elections.

This information was disclosed by MIDA Secretary General Jaime Duran, who was accompanied by MIDAS national board members Vicente Garcia and Manuel Cavieses. Duran welcomed the MIR militants, who were represented by Demetrio Hernandez, Patricio San Martin, Juan Gambetta, and Luis Fuentes.

MIR Santiago Regional Committee member Demetrio Hernandez justified the decision to join the MIR, stating that "only an organized and mobilized people can fulfill the task that will allow Chilean society to become fully democratized."

According to Hernandez, the "MIR, as a whole," is now joining the MIDA, which tends to believe that the movement's political faction "is almost dissolved." However, he admitted that some leaders have decided to join other organizations. [passage omitted]

Teitelboim Denies PCCh Link With FPMR

PY1502174492 Santiago EL MERCURIO in Spanish 6 Feb 92 p C3

[Text] Volodia Teitelboim, president of the Communist Party [PCCh], has said that his party today does not justify the acts of violence perpetrated by the autonomous faction of the Manuel Rodriguez Patriotic Front [FPMR] and denied any link with the Front. He added that "Many Chilean democrats applauded the creation of the FPMR because it surfaced at the most terrible moment of the dictatorship."

Teitelboim commented that, through great protests, many citizens decided to confront the military government and "the FPMR cooperated in the field of self-defense, a legitimate right contemplated by the church and the UN Charter. Therefore, there is no reason to feel ashamed."

The PCCh leader went on to say that "The youth had the right and fulfilled a moral duty." However, Teitelboim added that the situation changed with President Aylwin's government and that political means must be used now. "Therefore, we oppose completely the repudiated, uncalled-for actions that cause pain."

In this sense, Teitelboim commented that the PCCh decidedly condemned the abduction of EL MERCURIO manager Christian Edwards and voiced its satisfaction and happiness over his release.

PCCh Leader Admits Former International Ties

PY1502183392 Santiago EL MERCURIO in Spanish 5 Feb 92 p C4

[Text] Jaime Insunza, member of the Communist Party [PCCh] central committee, yesterday admitted that this party had received aid from the former USSR and other Eastern European countries to finance armed actions against the military government.

Insunza added that these contributions, in addition to the money they collected in Chile, allowed them to organize social mobilizations as well as armed actions against the former regime.

He added that as the PCCh had actively participated in Vietnam and the Cuban revolution, "They also expressed their solidarity for us from abroad."

Vargas Comments on Honecker Refugee Status

PY1902013492 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 18 Feb 92

[Text] The Chilean Government accepts the possibility that former GDR leader Erich Honecker may travel to Chile. However, he would not enter the country as a political refugee. Moreover, it was disclosed that Honecker is afraid to leave the Chilean Embassy in Moscow for safety reasons.

Leaders of the Leftist Democratic Participation [PDI] movement, headed by former Communist Luis Guastavino, met acting Foreign Minister Edmundo Vargas to intercede for the former German leader. Vargas gave the PDI leaders a detailed report of developments after Honecker's arrival at the Chilean Embassy in December 1991.

The acting foreign minister and PDI leaders agreed that it is a problem of a humanitarian nature that goes beyond political-juridical aspects. During the meeting,

they discussed the different alternatives to give Honecker better medical assistance, such as transferring him to a hospital or the possibility of him traveling to Chile.

Edmundo Vargas explained that, in order to leave Russia, a permit from the Russian Government is required.

[Begin Guastavino recording] There is no impediment for him to come to Chile, not even an impediment related to the type of passport he needs. This was categorically stated by the acting foreign minister. [end recording]

During the meeting, Vargas phoned Moscow so that the PDI leaders could clarify a rumor that Honecker is already in the hospital.

[Begin Guastavino recording] We have official information that he is still in the Chilean Embassy. [end recording]

Guastavino also said that Honecker seemingly refuses to leave the Chilean Embassy for safety reasons. In the meantime, Edmundo Vargas, who is replacing Foreign Minister Enrique Silva Cimma, who has traveled to the preliminary meeting of the upcoming UN conference, reasserted that Chile is acting on humanitarian grounds and that what is sought is that the former German leader receive the best medical assistance without depriving him of his freedom. He added that this involves a handful of alternatives but that to grant Honecker political asylum is inappropriate.

[Begin recording] [Vargas] He may come to Chile; there are no obstacles, but we are not willing to give him a judicial status such as that of a political refugee, which, in any case, is something he has not requested.

[Unidentified reporter] Is this possibility also subject to the Russian Government's decision?

[Vargas] Naturally, it depends on the Russian Government. This is what we have stated. It is not up to the Chilean Government. We have no problem. It all depends on whether or not the Russian Government allows him to board a plane. [end recording]

It is estimated that tomorrow Chilean Ambassador Clodomiro Almeyda may have an answer from the Russian authorities regarding Honecker's situation.

Leftist Democrats Voice Concern

PY1802233092 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Feb 92

[Text] Leaders of the Leftist Democratic Participation [PDI] movement expressed their concern to acting Foreign Minister Edmundo Vargas about the life of Erich Honecker, who remains seriously ill at the Chilean Embassy in Moscow.

PDI Political Committee President Luis Guastavino, PDI Secretary General Antonio Leal, and PDI leader Pablo Mecklenburg spent approximately two hours at Vargas' office. As they were leaving, they commented on the frankness with which they were informed about Honecker's situation.

Guastavino said that it is not true that Honecker has left the embassy for a hospital in Moscow. He also said that they were informed that the Chilean Government has no problems with the former GDR leader entering Chile if Moscow authorities let him leave.

Colombia

Peace Adviser Serpa Previews Caracas Talk

PA1802234192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Feb 92

[Telephone interview with Dr. Horacio Serpa Uribe, presidential adviser for peace, by an unidentified reporter in Santa Fe de Bogota—live]

[Text] [Reporter] On 24 February, representatives of President Cesar Gaviria's government and guerrilla spokesmen will meet in Caracas, Venezuela. They will discuss matters on the agenda, especially cease-fire issues. President Gaviria told Emisoras Caracol in Manaus last week that the government is getting ready to reorganize—that was the word he used—the government strategy in the talks with the guerrillas. Dr. Serpa, peace adviser, good morning.

[Serpa] Good morning, how are you?

[Reporter] We are doing fine. What is the difference between the Colombian delegation to the talks scheduled to begin on 24 February and the one that was led by Jesus Antonio Bejarano? What is the current delegation's mood, and what was that of the previous delegation? Is there are difference, or is it consistent?

[Serpa] The deputy government minister who was there on the previous occasion will be a member of the government commission. I will also be there. Certainly, some of the new peace advisory officials will be there. We are in a good mood. We want to talk with the guerrillas, and we hope agreements are reached. We want to offer the country results. We want to learn about the proposals presented by the guerrillas, and we want to be useful in this great desire to attain peace for Colombia.

[Reporter] EL TIEMPO newspaper, in its 16 February edition, published certain paragraphs of what was apparently the conclusions of a guerrilla summit recently held somewhere in Colombia. It states that the cease-fire will not be among the priority issues to be discussed by the Simon Bolivar National Guerrilla Coordinating Board [CNGSB]. Will the government insist on discussing this issue before the rest of the agenda agreed upon for the past few months?

[Serpa] The government believes a cease-fire is necessary. That is also what the people demand. It is an aspect

of the talks that cannot be set aside by any means. But I cannot say we will not rule out the discussion of other points, of other matters. We cannot anticipate at this time how the talks will be conducted because it is all part of the discussion. The government believes it is important to learn the guerrillas' opinion on different matters. We have already begun to learn their opinion, after the proposal they sent to the National Congress. We believe we have to make progress in this regard, but the cease-fire topic will always be important to the government.

[Reporter] Dr. Serpa, what about the reorganization of the government strategy in the talks that was announced by President Cesar Gaviria?

[Serpa] For the time being, we do not believe it is appropriate to get ahead of ourselves, as the president said. We are analyzing the situation. We have studied the dialogue matter very much. We are simply not going to hold a dialogue. We are going to try to take advantage of the dialogue because the government believes the dialogue is an instrument, it is a way of trying to find solutions.

[Reporter] Are you going to place a time limit on the talks?

[Serpa] We are not going there with a fixed time limit, but we believe that talks cannot go on forever. If results are not obtained within a specific period of time, it will be necessary to note that the talks cannot go on forever.

[Reporter] Dr. Serpa, do you know the CNGSB negotiators? There were rumors that Gavino, from the National Liberation Army [ELN], will be there.

[Serpa] No, we still do not have the names of the delegates. There are a number of rumors, but I would not dare to mention names because they have not been confirmed by the guerrillas.

[Reporter] Why did you insist on Caracas as the site of the talks, despite the difficult situation faced by President Carlos Andres Perez?

[Serpa] The Venezuelan Government told the Colombian Government it was willing to continue hosting the dialogue commissions in Caracas and to provide facilities for the talks. That is why we have not discussed the possibility of changing the site.

[Reporter] There will be no site change during the process? Will it always be held in Caracas, at least during this phase?

[Serpa] No, we are not limited. If at some time we need to change the site, the commissions will study the matter.

[Reporter] Is the advisory commission formed?

[Serpa] No, not yet.

[Reporter] We were told here at Emisoras Caracol that the presidents of the Senate and the Chamber of Deputies will be the two Liberal Party members on the new commission.

[Serpa] The president will make a statement on this when the time is right.

[Reporter] A few days ago, Dr. Antonio Navarro Wolff [president of the 19 April Movement/Democratic Alliance] proposed a three-sided table. He said it was advisable to sit the government representatives on one side, the CNGSB representatives on the opposite side, and autonomous and independent spokesmen of political parties and international organizations on the third side. Are you going to discuss this option in Caracas?

[Serpa] There is a fundamental thing here. Negotiations can only take place between two sides: the guerrillas and the government. The government thinks it would be very useful, once the guerrilla proposals and opinions are made known, if the country as a whole would give its opinion. That could be interesting.

[Reporter] We would like to know about the government investigations concerning the disappearance of Daniel Garcia, Revolutionary Armed Forces of Colombia spokesman. He was reported missing in Santa Fe de Bogota a few days ago.

[Serpa] We have no information about that. There is all kinds of speculation. The authorities are investigating to no avail. I do not have any details to give you at this time.

[Reporter] Dr. Serpa, the Popular Liberation Army [EPL], the remaining EPL faction, one of the groups participating in the Caracas talks, has kidnapped former minister Argelino Duran. Will the government demand the release of the former minister to initiate the Caracas talks?

[Serpa] We are going to meet first so we can start talking, but one of the topics to be discussed will be the kidnapping issue. It is not only the case of Dr. Duran, which of course has concerned us deeply and whose release we have demanded, but we also have to discuss the hundreds of kidnappings that are taking place in Colombia every day. This situation greatly concerns us. Frankly, I am very concerned because of the number of kidnappings that are taking place every day. The number of kidnapping cases that have reached my office is alarming.

[Reporter] Could you give us a figure on the number of kidnappings? Could you give us the government statistics?

[Serpa] I do not have the figure right now, but the number is huge.

[Reporter] Could you say some 300 or 400?

[Serpa] The number is huge. It is something terrible. It is greatly damaging Colombia and is also hurting the process.

[Reporter] All kidnappings are done by guerrillas?

[Serpa] This process needs the support of citizens. Can people believe in the goodwill of the negotiators if so much damage is being done?

[Reporter] Who else kidnaps people in Colombia?

[Serpa] Common criminals also kidnap people, but the guerrillas are kidnapping a huge number of people.

[Reporter] Could we say that 90 percent of all kidnapping cases are the responsibility of subversive organizations?

[Serpa] I could not give you a percentage, but the guerrillas are kidnapping many people. The biggest complaint is with the ELN.

[Reporter] As for the ELN, the Domingo Lain Front of the ELN has stated it does not want dialogue, it wants no agreement, and it practically disapproves of the actions carried out by the ELN spokesmen at the Caracas talks.

[Serpa] Are you asking how the government views this decision by the Domingo Lain Front?

[Reporter] We have heard that. As the boys say in baseball, these people are out. The national and international political situation demands agreement.

Dr. Serpa, good luck to you and to the Colombian delegation. We at Emisoras Caracol will have a special envoy, Fabio Callejas, in Caracas as of 24 February. All Colombians want peace, tranquility, and we all want this new meeting, which could be the next to last attempt or the last attempt, and may finally yield results.

[Serpa] We hope it is the last because we hope an agreement can be reached. Let us see.

[Reporter] Good morning, sir.

Paraguay

Economic Cooperation Meeting With Taiwan Opens

PY1502211292 Asuncion ABC COLOR in Spanish 14 Feb 92 p 11

[Excerpts] Industry and Commerce Minister Ubaldo Scavone and Taiwanese Economic Affairs Minister Vincent Siew yesterday opened the Fifth Paraguayan-Chinese Economic Cooperation Conference, which will be held until tomorrow at a downtown hotel in our city. In his opening speech, the Taiwanese minister confirmed that his government is willing to enhance cooperation with our country to reward the Paraguayan people's friendship toward his people.

Taiwanese Government officials from the foreign affairs, commerce, agriculture, and cooperation fields, along with five leading Taiwanese bankers and important Taiwanese entrepreneurs, have been meeting with their Paraguayan counterparts during the Fifth Paraguayan-Chinese Economic Cooperation Conference that will last until tomorrow at the Excelsior Hotel.

Paraguay also is represented by Agriculture and Livestock Minister Raul Torres and high-ranking officials from the Foreign Ministry, the Industry and Commerce Ministry, the Finance Ministry, the Central Bank, and the IBR [Agrarian Reform Institute], as well as representatives from our country's banking and entrepreneurial sectors. [passage omitted]

The Most Important Partner

Minister Siew was received yesterday by President Andres Rodriguez before the conference. The president told him that our country could act as a gateway for Taiwan to market its products in the Mercosur [Common Market of the South]. In this regard, Siew told the chief of state that he would present this offer to the Taiwanese entrepreneurs.

Siew added: "Advantage should be taken of this opportunity to introduce ourselves into this market (the Mercosur) so that Paraguay becomes our entrepreneurs' most important partner."

"We believe that, through cooperation between the two countries, the entrepreneurs of our two nations will be able to achieve enhanced competitiveness on the international market, which will be for the benefit and welfare of the two nations," he added.

In conclusion, the Taiwanese minister confirmed an offer to the Paraguayan Government to act as a gateway for the entry of Paraguayan products into the Asian market. [passage omitted]

Officials Report on IMF, Paris Club Talks

PY1802180292 Asuncion ABC COLOR in Spanish 18 Feb 92 p 11

[Text] Central Bank President Jose Enrique Paez, Finance Minister Juan Jose Diaz Perez, and other economic team officials last week visited Europe and the United States. During this trip, they reached agreement on 50 percent of the overdue obligations owed to commercial banks. This information was released by the minister and the Central Bank president at Government House yesterday.

The debt was renegotiated thanks to a preliminary agreement reached with the Lloyds Bank, which accounts for 50 percent—approximately $27 million—of the overdue obligations owed to private banks.

No further details were released on the negotiations in London, but it was made clear that just a few adjustments are needed to complete the preliminary agreement. It was also reported that this agreement will be used as the standard for refinancing smaller debts owed to the other commercial bank creditors. The Paraguayan mission visited France, where they solved an annoying situation that developed among some Paris Club creditors following payments to Japan, which is also a member of the Club.

Dr. Paez said: "We found that they had inaccurate reports on the development of our economy. They thought that we recently made large payments to some creditors, and this annoyed the others. For example, they

believed that we paid $68 million to Japan in January, but we paid only $12 million."

"We explained to them that we had to make some payments because we wanted to continue to receive funds for the farming programs that are being implemented by the Development Bank. We described our priority objectives. They clearly understood the situation. We agreed that we will soon set a date for a final meeting, with IMF concurrence," he added.

Paez noted that this was the first serious and responsible meeting with the Paris Club, adding that the talks focused on our government's proposals regarding deadlines and on creditors' viewpoints. At no time was any proposal made for paying one third of our overdue obligations this year, he said.

He noted that the high level of international reserves will not represent a problem in negotiations because the reasons for that high level and the false images that have been created were both clarified. "We explained to them that we inherited from the previous administration a deficit in our reserves of more than $200 million. To compensate for this, we had to suspend foreign debt payments for some time, and we had to buy currency on the black market," he said.

The surplus registered by the balance of payments—another obstacle for renegotiation—was also overcome. The Paraguayan mission explained that this surplus results from the large amount of speculation dollars that were attracted to the market by the high interest rates. This situation can change any time, as is now partially happening because of the higher rates being paid in Brazil.

Following the progress in Paris and London, the next step will be an agreement with the IMF. Dr. Paez said that we must now resolve the problems relating to cotton and soybean, but without affecting monetary stability. He reported that payments totaling $240 million will be made this year on obligations falling due in 1992. This amount includes all our creditors: multilateral agencies, Paris Club, and commercial banks. Additional payments will be made following the arrangements that stem from the renegotiation with the Paris Club. Diaz Perez said that the vicious circle has now ended: We could not reach agreement with the IMF because we had no green light from the Paris Club, and it was impossible to go to the Paris Club without an agreement with the IMF.

Concerning a $23-million embargo on Paraguayan reserves, the minister said that no progress has yet been made. "We are still waiting for a resolution by the judge. The worst thing that can happen is that we may have to pay the amount," he said. The minister said that an IMF mission will soon come to our country to sign a letter of intent that will make it possible for Paraguay to hold a final meeting with the Paris Club.

He said: "We can now continue our negotiations with the IMF. Another mission will come. This week we will know exactly when it will arrive, although it will be very soon. There will be no more difficulties with the IMF," the minister told reporters.

"We destroyed the vicious circle in which we were caught: We could not reach agreement with the IMF because we had no green light from the Paris Club, and we could not negotiate with the Paris Club without IMF support," the minister said.

"We must now reach an agreement with the IMF on the basis of an economic program that we should jointly analyze; the figures are being updated, and Central Bank, Finance Ministry, and IMF officials are working hard on it," he noted.

He concluded by saying that "the agreement that will be negotiated with the mission that will come here must be approved by the IMF executive board. Once the agreement is approved, we will immediately contact the Paris Club. We are in the final stage of the settlement of the foreign debt problem."

Monetary Program Must Continue

PY1602022492 Asuncion ULTIMA HORA in Spanish 15 Feb 92 p 13

[Text] The rescheduling of our overdue debt will not be achieved if our country fails to comply with its economic program of struggling against inflation and reducing expenditures. This is the basic conclusion of those who went to Europe to negotiate our debt.

The national government must not quit its monetary program, fiscal balance program, and anti-inflationary program if it wants a "standby" [preceding word in English] agreement with the IMF to negotiate its overdue debt with the Paris Club. This is the basic recommendation received by the debt negotiators, who yesterday held a long meeting with the IMF in Washington and returned today from their tour of Europe and the United States.

After a one-week tour that included Paris, London, and Washington, where they met with Paris Club creditors and IMF experts to review the debt issue, Finance Minister Juan J. Diaz Perez, Central Bank President Jose E. Paez, and other government officials returned this morning. Although they did not disclose the details of the negotiations, official sources indicated that the tour's basic conclusion is that Paraguay must remain faithful to its economic program of balancing fiscal finances, complying with the targeted 10 percent inflation rate for this year, and controlling the monetary flow to achieve these goals. In this event, Paraguay will receive the IMF's support for the debt agreement.

Incidentally, it was confirmed in Washington yesterday that another IMF mission, which will give the finishing touches to the preliminary studies on the "standby" [preceding word in English] agreement, will come to our capital in March to continue the negotiations with our country. In this regard, all data on fiscal projections for this year are already available and the only pending issue

will be our balance of payments, on which there are difficulties in reaching an agreement with the IMF because there is a surplus.

As is known, the agreement basically involves the IMF certifying that Paraguay actually has problems with its balance of payments and, therefore, needs to finance its overdue debt. Without this, it will be very difficult for the Paris Club to agree to reschedule the overdue $330 million debt.

Minister Notes Improvement in 'Image Abroad'

PY1802145692 Asuncion ABC COLOR in Spanish 18 Feb 92 p 10

[Text] A few minutes after arriving in Asuncion yesterday, Foreign Minister Alexis Frutos Vaesken said that "the image that our country has abroad has obviously changed. I can assure you that we were warmly welcomed everywhere." The minister ended a tour of European countries, during which a basic cooperation agreement was signed by the European Community (EC) and Paraguay.

To demonstrate the new Paraguayan image abroad, the minister said that his Belgian counterpart offered to act as a "bridge" between Paraguay and the EC, in return for Paraguay acting as a bridge between Belgium and the Mercosur [Common Market of the South]. The minister said: "There are good intentions toward our country, and it is up to us to get the most out of the agreement."

Asked about the significance of the basic agreement that was signed with the EC on 3 February, Frutos Vaesken said that it is a comprehensive document that provides for cooperation in all areas—including economic, cultural, and technical fields—adding that it is a "third generation" agreement. This means that our country will enjoy all the benefits that the EC has granted in similar agreements to other countries.

The minister explained that personnel training for meeting Mercosur demands will be among the first objectives that Paraguay will try to accomplish under the agreement. To this end, a proposal was made to the EC for operating centers in our country and for sending European experts to train local personnel in integration procedures.

The minister added that European businessmen want to invest in Paraguay but, to this end, laws are needed to protect those investments. "It is up to us to maintain their interest in investing here because they will invest in the most profitable place," he said.

He said: "Paraguay is an attractive country for investors, especially now that it is a member of Mercosur."

Roundup of Economic Activities 11-13 Feb

PY1402140092

[Editorial Report] Following are reports on economic activities in Paraguay from 11 to 13 February. Source information is given in parentheses after each item.

The Paraguayan Central Bank, BCP, has reported that an impressive number of dollars was exchanged during 1991: $10.8 billion. The exchange operations were made by private individuals, commercial banks, exchange houses, the BCP, and binational entities. This volume of money, equivalent to six times the Paraguayan foreign debt, is a record. The report states that $8.065 billion—some 74.7 percent—was traded by private individuals, $6.254 billion was traded by commercial banks, and $1.811 billion by exchange houses. (Asuncion ULTIMA HORA in Spanish 11 Feb 92 p 20)

The Yacyreta Binational Entity has obtained a loan from the Argentine National Treasury to complete the monthly payment it must make to its main civilian works contractor, Eriday-UTE. Yacyreta Director Alcides Jimenez said that the $8 million needed for the contractor can be disbursed today or tomorrow, adding that only $2 million were paid to the contractor in January. (Asuncion NOTICIAS in Spanish 13 Feb 92 p 10)

Peru

Shining Path Imposes 'Armed Strike' in Ayacucho

PA1802194992 Paris AFP in Spanish 1843 GMT 18 Feb 92

[Text] Ayacucho, Peru, 18 Feb (AFP)—Seven members of the Peasant Defense Patrols were killed in Ayacucho Department when Shining Path imposed a 10-day "armed strike" on 18 February in five provinces, the National Police reported.

The killings were committed on 17 February during a guerrilla attack on the community of Tutumbaro, in the eastern La Mar Province, the authorities said without giving further details. Military troops are searching for the Shining Path column, the source added.

According to another report, the "armed strike" is affecting Vilcashuaman, Cangallo, Huancasancos, Victor Fajardo, and Sucre, all provinces in the southern part of Ayacucho Department, a Shining Path bastion in the Andes that is in a state of turmoil over the frequent guerrilla attacks.

A truck that tried to go through the highway blockade in Cangallo was set on fire and blown up with dynamite after its occupants were forced out of the vehicle, according to a preliminary report by the police.

The terrorist strike forced the markets, shops, and offices throughout the affected area to close, and kept the people in a generalized state of fear, the authorities added.

Foreign Minister Urges Rejection of Shining Path

PA1802152292 Lima Global Television Network in Spanish 0100 GMT 18 Feb 92

[Text] During his speech at the UN Human Rights Commission meeting in Geneva, Foreign Minister Augusto Blacker Miller asked the international community to condemn Shining Path. Blacker requested the industrialized nations to change their passive attitude toward this subversive organization's terrorist actions. In addition, Blacker reiterated that Peru will not negotiate with Shining Path but will continue its efforts to wipe out this organization by 1995.

During his speech on 18 February before the UN Human Rights Commission, the foreign minister noted it was not coherent, ethical, or politically justifiable that terrorists who kill, torture, kidnap, and use children as live explosives, be harbored by some nations. Likewise, the minister emphatically stated that it is not rational that glorification and justification of terrorism be allowed with impunity, and much less that these nations allow the terrorists to maintain an international organization and proselytize in favor of violence, destabilization of legitimately established democracies, as well as the creation of a climate suited for human rights violations. Blacker—who did not specifically mention any of the nations harboring Shining Path members—insisted that to guarantee the full respect of human rights in organized democratic states, the groups who murder, torture, and undermine democratic institutions, thereby defying social peace, cannot and should not be exempt from international rejection.

Bomb Attack on French Embassy Reported

PA1902041092 Madrid EFE in Spanish 0320 GMT 19 Feb 92

[Text] Lima, 18 Feb (EFE)—The police said that an explosive device was detonated in front of the French Embassy in Lima on 18 February, causing little damage and no casualties. The terrorist attack on the embassy was one of two attacks in the Peruvian capital on the evening of 18 February. The other was on a hotel.

The device at the French Embassy, located in the San Isidro District, was thrown by two individuals riding on a motorcycle, according to witnesses. The building's security fence was damaged.

This is the second attack on the French Embassy within the past two months, and it is the second against an embassy in the course of one week. On 11 February, the U.S. ambassador's residence was attacked, resulting in the deaths of three Peruvian policemen and the destruction of 15 meters of the embassy's retaining wall.

On 20 December, explosive devices destroyed two vehicles parked behind the French Embassy's security fence. One of three explosive devices was detonated at the Miraflores Hotel located in the Lima district bearing the same name. The terrorists placed the devices a few meters from the front door. The other two were deactivated by the police.

The explosion slightly damaged a vehicle parked in the area, as well as the building's facade.

Venezuela

Perez Discusses Cabinet Changes With Party Heads

PA1802143092 Madrid EFE in Spanish 1647 GMT 17 Feb 92

[Text] Caracas, 17 Feb (EFE)—According to reports made public by a Miraflores Presidential Palace spokesman, Venezuelan President Carlos Andres Perez met with leaders of the main political parties on 17 February. The objective of the meeting was to prepare a new government.

On 15 and 16 February, President Perez spoke with the leaders of the Democratic Action (AD) party currently in power. He also spoke with the heads of the main opposition parties, the Social Christian Party (COPEI), and the Movement Toward Socialism (MAS). The objective of the meeting was to discuss possible ministerial changes and ways to confront the political crisis that has erupted after the failed 4 February coup.

According to information disclosed by the political parties, the forthcoming changes will affect the Finance, Interior, Foreign Affairs, Justice, and Coordination and Planning Ministries (CORDIPLAN).

CORDIPLAN Minister Miguel Rodriguez is responsible for designing and conducting the government's economic policy, which has been criticized by all political parties, including the government's party.

A Social Christian Party (COPEI) spokesman acknowledged that this party met with President Perez. The source also disclosed that COPEI, which is the largest political party in opposition, would not participate in a coalition government.

MAS Secretary General Freddy Munoz declared that President Perez is willing to implement the necessary corrective measures demanded by society in the aftermath of the coup attempt.

Munoz requested from President Perez that all rectifications be political and not merely a change of names. Munoz believes that "nothing will be gained by changing ministers if the incoming officials plan to continue with the same policies."

According to official sources, during the conversation between President Perez and the political party leaders, several independent personalities were mentioned as possible candidates to occupy positions in the new government.

Military sources announced that during the current week, arrest warrants will be issued against all officers involved in the coup attempt.

The sources indicated the 1,100 soldiers (133 officers and 967 servicemen) are being tried due to their participation in the coup. They are currently being held under arrest in the military barracks in Maracay, Valencia, Maracaibo, and in the San Carlos barracks in Caracas.

Retired General Carlos Penaloza, responsible for alleged coup leader Lieutenant Colonel Hugo Chavez' last promotion, stated today that several civilians were also involved in the coup. He also stated he was not aware of their identities.

The government has not reported the arrest of any civilians since the coup was defeated.

Perez Discusses Rebel Investigations With Ochoa

PA1902044392 Caracas Venezolana de Television Network in Spanish 0000 GMT 19 Feb 92

[Report by Rebeca Hung Diaz]

[Text] President Carlos Andres Perez received an extended report on the trial being conducted against the rebels, and the present state of the investigations being conducted by the high command of the military forces.

[Begin recording] [Hung Diaz] Perez met with the military forces high command and Defense Minister Fernando Ochoa Antich for more than three hours. Following lunch, Ochoa—who was visibly satisfied—talked to the press about the motives behind this meeting.

The agenda of the meeting between the military leaders and their commander in chief centered on matters pertaining to illegal operations. The social welfare plan for military officers will move more swiftly, and reforms to the armed forces organic law will be presented to Congress.

[Ochoa] We will try to modify the traditional policy that has been used to direct the armed forces since 1958. We will modify, we will present to the Congress a profound reform of the legal structure that has regulated the existence of the armed forces in Venezuela.

We fundamentally believe that we should revise the system used to regulate the careers of officers. This revision would include promotion and retirement procedures, excessive rotation of command, etc.

[Hung Diaz] Reinaldo Leandro Mora, president of the Senate's Defense Commission, attended part of the meeting. He is responsible for expediting the legislative aspects.

Mora believes revisions should include not only the armed forces; former politicians and even the presidential cabinet could be affected by these changes.

Regarding the trial underway against the officers who participated in the attempted coup d'etat, Defense Minister Ochoa reiterated that the martial court already has issued 45 arrest warrants. Cadet studies have been reduced from five to four years, due to the fact the country needs officers. [end recording]

Energy Minister Announces Oil Production Cut

PA1802024592 Caracas Venezolana de Television Network in Spanish 0001 GMT 18 Feb 92

[Text] Celestino Armas, Venezuelan minister for energy and mines, has stated that OPEC member countries have agreed to cut production to balance prices. This decision was made during the sixth meeting of the ministerial committee for market supervision held in Geneva. Armas said that the decision was backed by a number of non-OPEC member countries, including the PRC, Egypt, Oman, and Angola.

[Begin Armas recording] The consensus consists of formally removing from the market between 1,200,000 and 1,300,000 barrels per day [BPD] of oil, 500,000 of which are produced by Saudi Arabia. This action should definitively stop the price reduction trend, which we had already initiated with voluntary production cuts, and trigger a price increase. [end recording]

Armas said that OPEC-produced crude oil is priced at $17 per barrel and that the Venezuelan export oil is priced at $14 per barrel. The decision by OPEC in Geneva, according to which Venezuela will have to cut its production by 170,000 BPD, does not affect at all the Venezuelan Government's estimated national budget figures.

Guyana

Government Eases Regional Travel Restrictions

FL1502120292 Bridgetown CANA in English 2052 GMT 14 Feb 92

[Text] Georgetown, Guyana, Feb 14, CANA—Guyana on Friday [14 February] announced a lifting of the passport requirement for Caribbean nationals, in keeping with a new policy to ease travel restrictions in the Caribbean Community. President Desmond Hoyte told reporters that graduates from the University of Guyana and the three campuses of the university of the West Indies will also be allowed to work and settle here without permits. This will be effective at the end of March.

Hoyte made the announcement while briefing reporters on his attendance at last week's summit of Amazonian heads and on next week's Caribbean Community leaders summit in Jamaica. He said community nationals can travel to Guyana with valid drivers licences and national identification cards, but the new policy, effective February 10, applies only to countries with reciprocal systems. This in effect means that for the time being, only

Grenadians can travel without passports following a similar move by the Nicholas Brathwaite administration last month.

Elaborating on the free movement of graduates, Hoyte said professionals will be allowed to settle and practice their craft without hinderance in keeping with a decision of heads at last year's summit of heads in St. Kitts. Hoyte was mandated by the meeting to co-ordinate a programme for the free movement of skills.

Similar consideration is being given to graduates from universities outside the region and to media workers, but movement on this is temporarily stymied owing to problems of defining who is a media worker, Hoyte said. Consultation is being made with the Jamaica-based Caribbean Institute of Mass Communications (Carimac), and Hoyte has agreed to suggestions that the Caribbean Association of Media Workers (Camwork) also be consulted.

Commission Chairman on Voter List Padding

FL1802235892 Bridgetown CANA in English 2249 GMT 18 Feb 92

[Text] Georgetown, Guyana, Feb 18, CANA—Guyana Elections Commission Chairman Rudy Collins has dismissed as "absolute nonsense", opposition charges that the preliminary voters list currently under preparation is heavily padded.

"Clearly, that is absolute nonsense," Collins told CANA Tuesday. "I would simply wish that such unsubstantiated claims not be bandied about."

The leftist People's Progressive Party (PPP) last weekend circulated a statement saying there is "every indication that the revamped voters list with about 375,000 names is heavily padded."

"Even the suggested number of about 345,000, after further cleaning up, is suspect," the parliamentary opposition party said.

However, Collins recalled that PPP leader, Dr. Cheddi Jagan, was quick to claim that over 72,000 persons, mainly opposition supporters, had been deliberately omitted from the list prepared by the state-run National Registration Centre last year. Collins said the current voters list contains about 374,000 persons, but is likely to decrease to around 340,000 following further "pruning."

However, Jagan contended the list should number 250,000 to 300,000 because of Guyana's small population and the reluctance of thousands of Guyanese to register and vote.

"If we take these two factors into consideration, our view is that the list should be between 250,000 to 300,000," the former premier of pre-independence Guyana told CANA. He said Guyana's population has been "falling," with more people emigrating and dying compared with newborns.

Jagan said his party is still "questioning" the 340,000 persons likely to comprise the final voters list. "That is why we welcome the "Gargett" test which will be a street test to determine if the list is padded with dead people, underage people, people who do not exist, and people who have emigrated," the veteran politician said.

The elections commission, under pressure from 13 opposition political parties to mount a random sample test, has launched the exercise under the supervision of John Gargett, a United Nations consultant attached to the commission.